

DISCOVER PARTNERS TO LAUNCH A CONNECTED AUTOMOTIVE FLEET PAYMENTS SOLUTION

Riverwoods, IL, Aug. 25, 2020 – Discover, a leading digital bank and payments company, and Car IQ, a California based financial technology startup, have partnered to create an innovative payment platform for machine-initiated payments beginning with automotive fleets. Fleet vehicles that are connected to the Car IQ platform will be able to transact autonomously to pay for services through the infrastructure of the Discover Global Network. This integrated commercial payment solution looks to capture a share of what Fleet Management Market report indicates to be a \$34Bn fleet industry by 2025.¹

Car IQ has developed a touchless machine payment platform that turns the vehicle into a payment mechanism and enables it to automatically initiate and complete payments for services such as service / repair, tolls, fuel, insurance, parking and more. Once the service is complete, the vehicle generates a payment file for Discover to be paid via a virtual card transaction over the Discover Commercial Payments Network. This collaboration represents a new method for payment authentication that will simplify the payment management of any vehicle. This method enables payments to have regulatory and security elements, creating a comprehensive banking and risk management solution specifically designed for vehicles. Car IQ's capabilities enable data governance at the vehicle level using vehicle data to help create trust and certainty.

“Discover is continually exploring new ways to connect cars and all types of IoT machines directly to the Discover Global Network,” said Bill Dulin, vice president of network solutions at Discover. “Machine-initiated payments is an expanding frontier that will increase volume over our network and simplify the payment management and accounting processes for fleet customers. Car IQ's perspective on machine identity will support an emerging payment category in machine-to-machine or IoT payments, and coupled with the Discover payment and blockchain expertise, we are creating solutions with emerging technology that will redefine the customer's expectations.”

This advance of allowing a vehicle to pay for services on its own signals a major step forward in simplifying fleet payments by making the vehicle accountable for handling the day-to-day payments automatically.

“We believe the future is machine banking where cars and IoT systems are able to connect and pay for services directly with banks and payment networks,” said Sterling Pratz, Car IQ founder and CEO. “We are excited to partner with Discover as the payment provider for our proprietary identity verification process to deliver authenticated and trusted transactions directly to their payment network, and drive towards the future.”

About Discover

Discover Financial Services (NYSE: DFS) is a digital banking and payment services company with one of the most recognized brands in U.S. financial services. Since its inception in 1986, the company has become one of the largest card issuers in the United States. The company issues the Discover card, America's cash rewards pioneer, and offers private student loans, personal loans, home loans, checking and savings accounts and certificates of deposit through its banking business. It operates the Discover Global Network comprised of Discover Network, with millions of merchant and cash access locations; PULSE, one of the nation's leading ATM/debit networks; and Diners Club International, a global payments network with acceptance around the world. For more information, visit www.discover.com/company.

[1] “Fleet Management Market.” *Market Research Firm*, www.marketsandmarkets.com/PressReleases/fleet-management-systems.asp.

About Car IQ

Car IQ is the first payment solution developed for vehicles and fleets. Car IQ enables vehicles to connect directly to payment networks or banks and autonomously initiate and complete payments for services such as tolls, fuels, parking and more. Car IQ's dynamic identity verification is the foundation of its KYMSM (Know Your Machine) technology. The KYMSM technology makes it possible for vehicles to directly request, then validate / revalidate and pay for services rendered. For more information, visit www.gocariq.com.

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[1] "Fleet Management Market." *Market Research Firm*, www.marketsandmarkets.com/PressReleases/fleet-management-systems.asp.