



WAVE MONEY

Overview of Wave Money: Leading FinTech in Myanmar

May 2020

Purpose

This document provides a business overview of Digital Money Myanmar Limited (Wave Money) - the leading mobile money service provider and FinTech in Myanmar.

It describes the market environment, key business performance achievements and the future business plan.



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Wave Money at a glance

Vision

Myanmar's leading FinTech

- Founded in 2016, Wave Money is the **first** licensed company as MFS operator in Myanmar
- **Mass market focused** with goal of providing mobile based financial services throughout Myanmar

Our Business Units








Over-the-counter (OTC)



Digital / e-wallet



Our service offering

-  Money transfer
-  Airtime top-ups
-  Bill payment
-  Cash/ salary disbursement
-  Cash in & out
-  Merchant API integration
-  Donation

Strategic Priorities

-  **Maximize profitability from OTC business**
-  **Scale Digital solutions**
-  **Digital transformation**



Wave Money is a standalone joint venture company, with an entrepreneurial and dynamic culture

- Joint venture partners: Telenor Group, Yoma Strategic, Yoma Bank & Ant Financial*
- Distribution network run and controlled by Wave Money
- Management of our own end to end technology stack
- No reliance on joint venture partners for execution of the business model
- Adopt Telenor policies for compliance and governance but maintenance of a dynamic culture has continued

**Ant Financial's investment is subject to satisfaction of certain conditions. Please refer to the announcement made by Yoma Strategic on 18 May 2020 on the proposed transaction*

240 Employees



15 Nationalities represented, with 84% local staff



**40% female across entire workforce.
50% female when excluding sales force**



Diverse employee base with strong focus on local development



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Myanmar - One of the fastest-growing markets in SEA with strong fundamentals for digital money

Myanmar Overview

54 million

population

28 years old

Median age

1.58%

Unemployment rate*

93%

Literacy rate

6.2%

Forecasted next 5 years
Real GDP growth*

Strong Fundamentals for Digital Money

Low banking penetration & infrastructure provides a massive opportunity

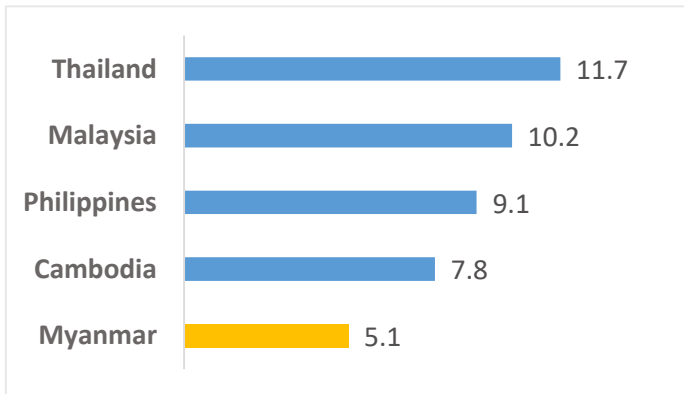


20%
of adults have bank accounts



31%
of adults are completely financially excluded

No. of bank branches per 100,000 adults



Fast evolving digital ecosystem

Mobile connection



126%
as % of total population

Internet users



22 million
(41% penetration)

Social media users



22 million
(100% of internet users)

+Source: We Are Social Jan 2020

Digital merchant ecosystem (select examples)



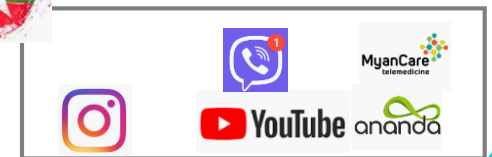
Ticketing and games



Ride hailing & food delivery



ecommerce



others

*Pre-Covid figures



Strong regulatory support for cashless economy, which is stressed upon even more since the Covid-19 outbreak

Initial regulatory setting

- **Mobile Financial Services Regulation** issued in 2016 – only five licenses issued to date, including three mobile operators, Wave Money and OK Dollar.
- **Proportional approach to risk management** with modest transaction limits of up to 500,000 kyat.
- Regulation allows for **OTC money transfer and mobile wallet transactions**, in addition to bank transfer, bill and merchant payments.



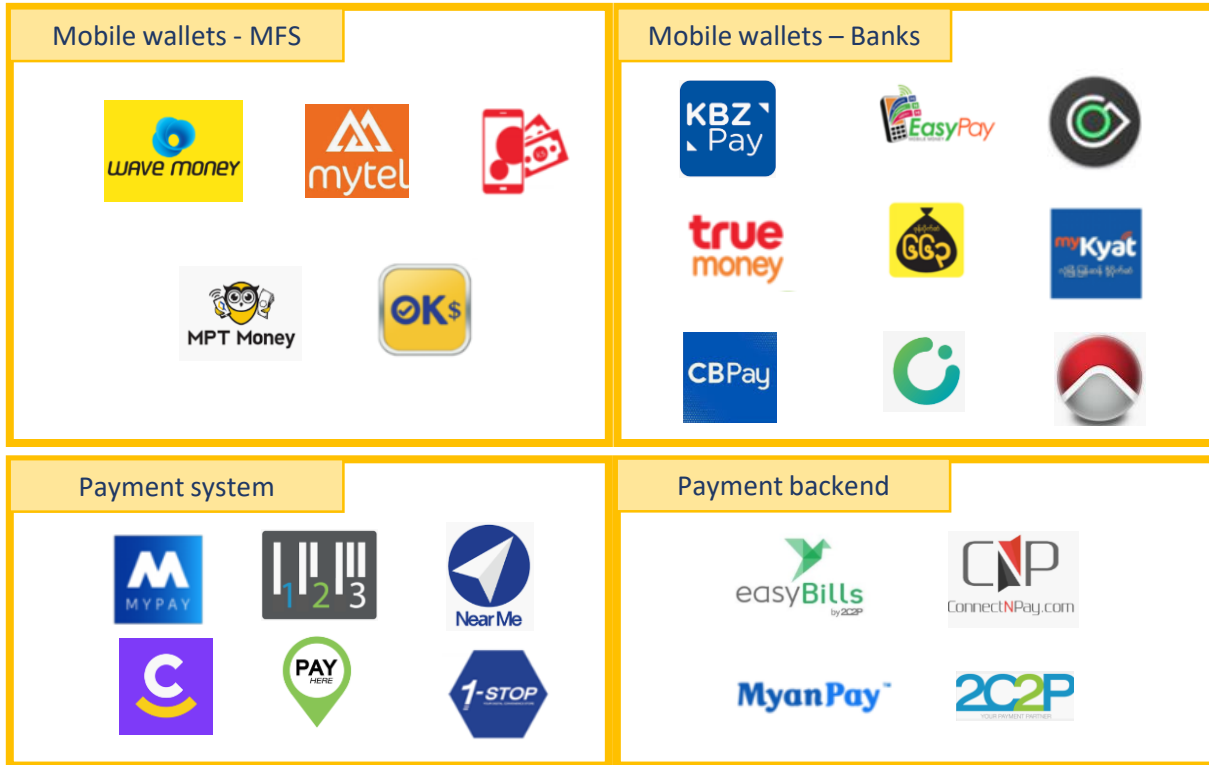
Regulatory support since COVID-19 outbreak

- CBM announced the daily transaction limit for Level 2 **to increase from 500,000 kyat to 1,000,000 kyat.**
- Mobile money providers are considered an **“essential business”** and therefore permitted to carry on operations uninterrupted.
- **Myanmar’s Covid Economic Relief Plan (CERP)** explicitly promotes the use of mobile money to combat the Covid-related challenges. Wave Money mentioned by it.

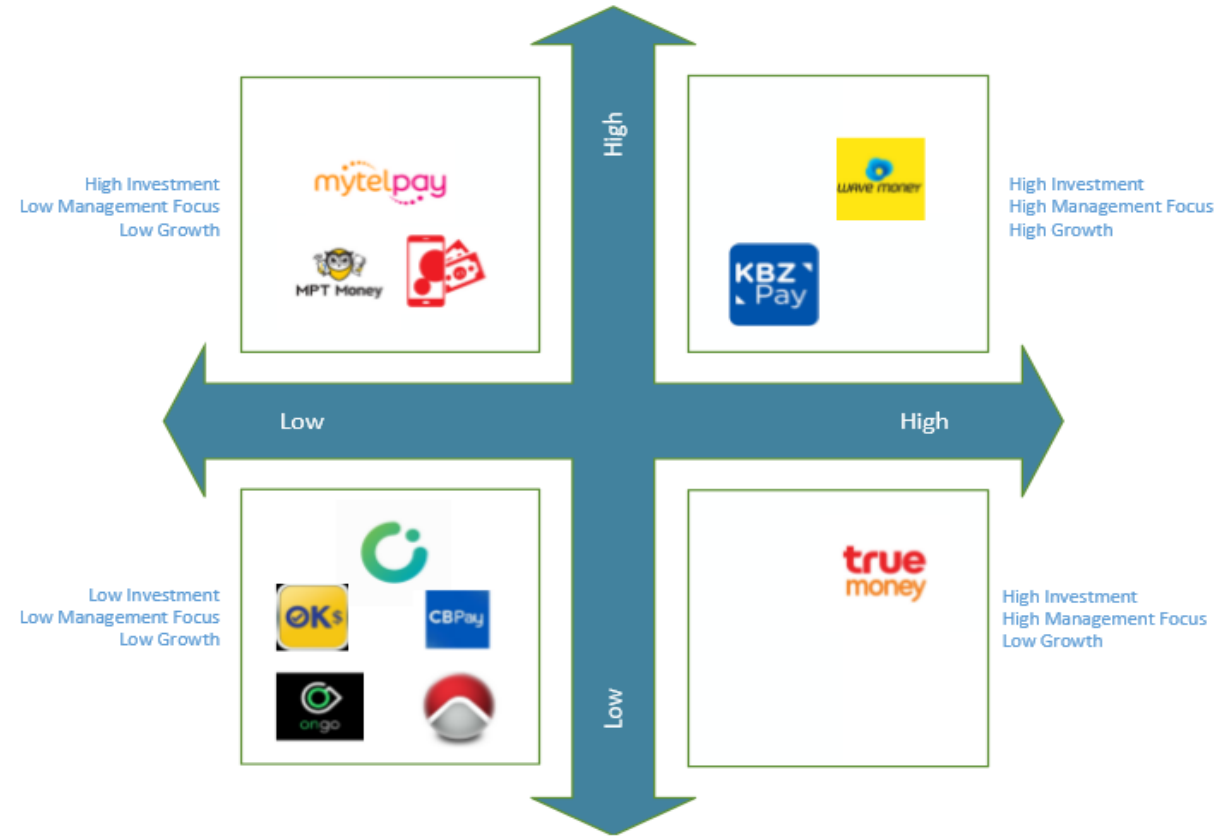


Myanmar’s digital payment ecosystem is changing rapidly. Amidst the intensifying competition, Wave Money has established a uniquely strong market position

Current digital payment landscape in Myanmar



Market position among key players



- Highly fragmented market today, with potential entry by regional players in the future (e.g. GrabPay, WeChat)
- **Brand leadership, having the largest agent network & performance-oriented culture** have been key success factors for Wave Money to date

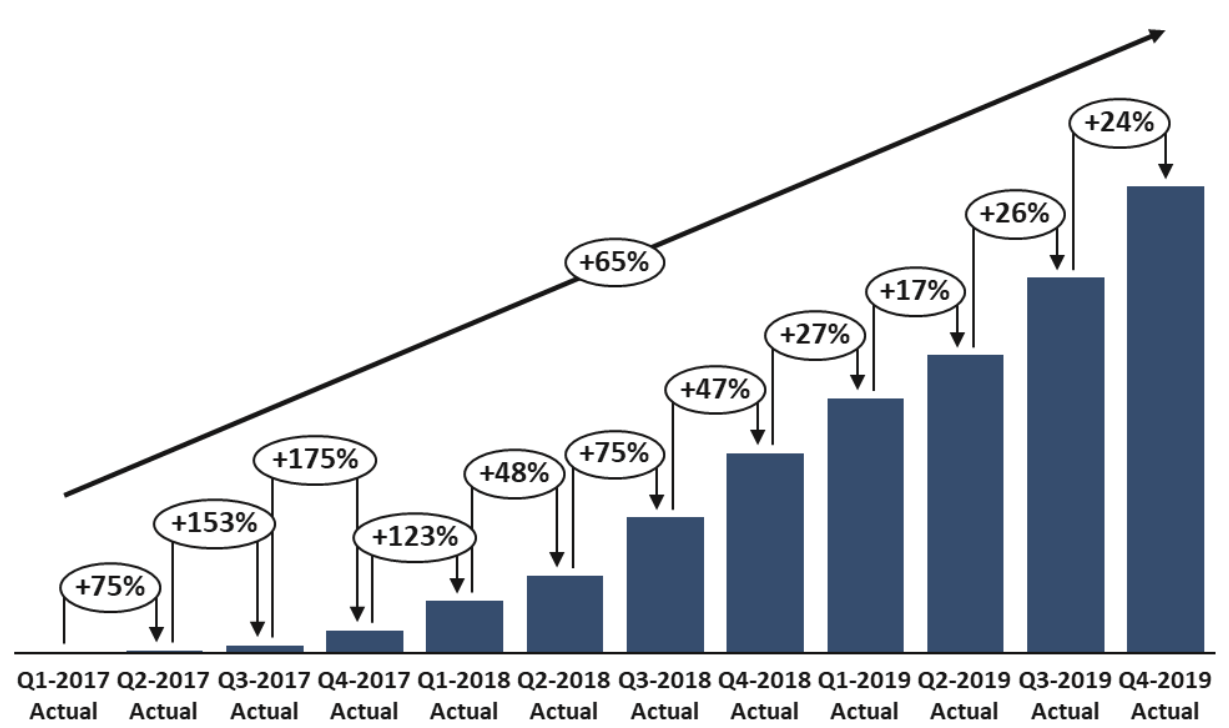
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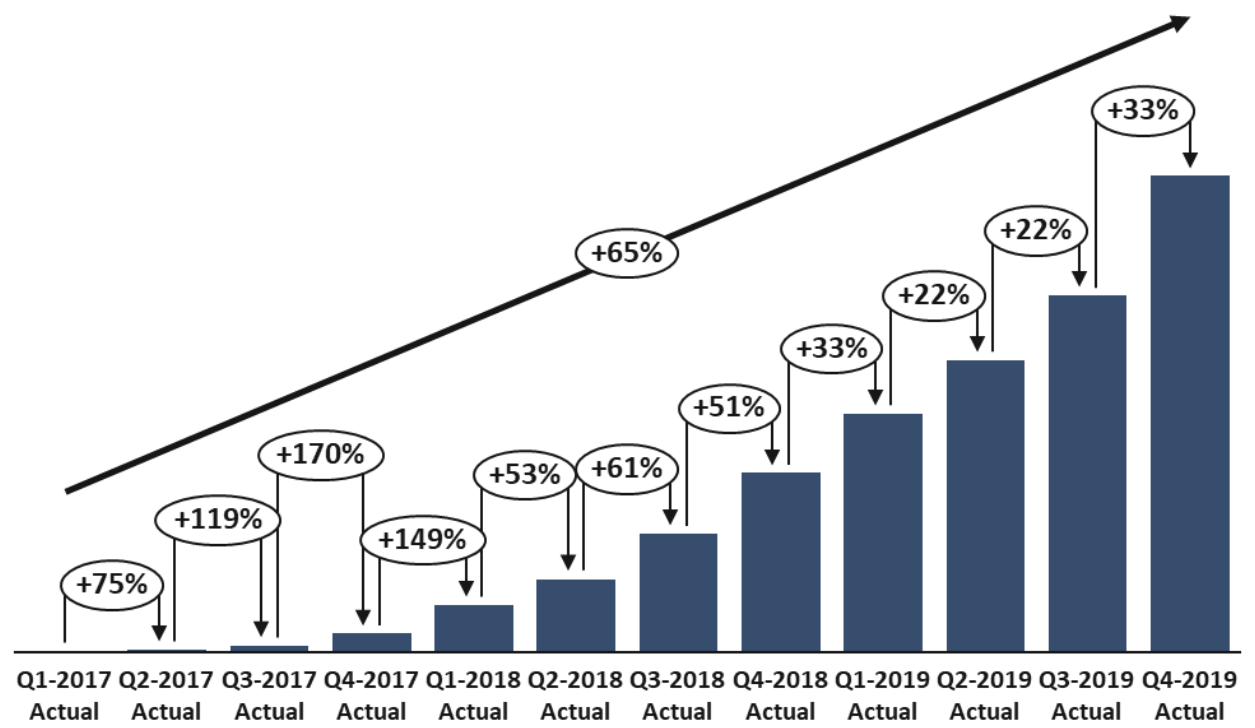


OTC: Money transfer transactions & volumes grew by 65% on quarterly basis since Q1 2017

WST Transactions



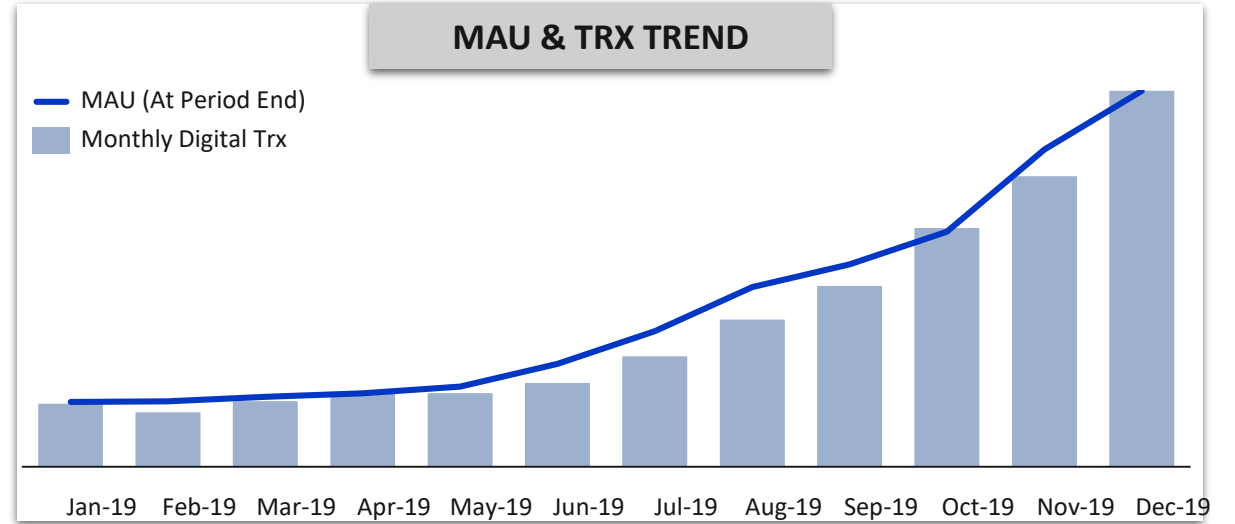
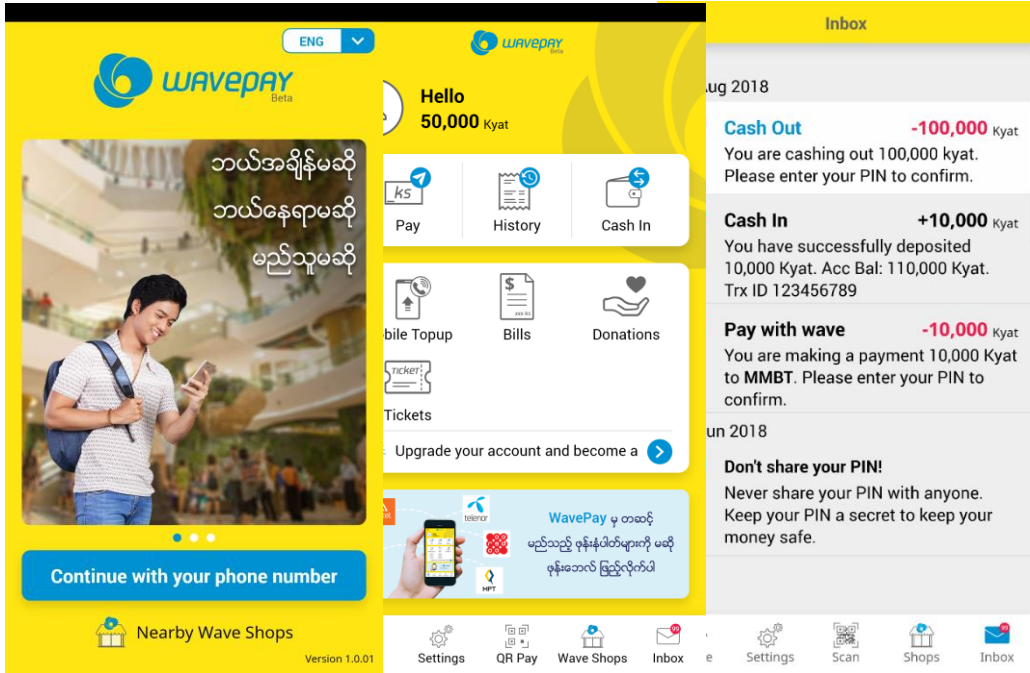
Transfer Volumes (MMK)




- WST is Wave Shop Transfer, an over the counter money transfer.
- WA is Wave Account, a customer account connected to the MSISDN.
- WST Transactions includes WST-WST and WST-WA
- Transfer Volumes includes WST-WST, WST-WA, WA-WA, WA-WST, Cash-In and Cash-Out



Digital: WavePay was introduced in 2019 to address the digital shift. Initial traction validates market readiness and our product value






1M +
Play Store
Downloaded



92 Billers
integrated in the
wallet



60%
airtime purchased by
customers (Mar'20)

Casual Usage

Business Usage

As a Savings Enabler

Convenience

Business Growth



"I keep small money in WavePay app as an emergency fund"
Small paddy trader, Pathein



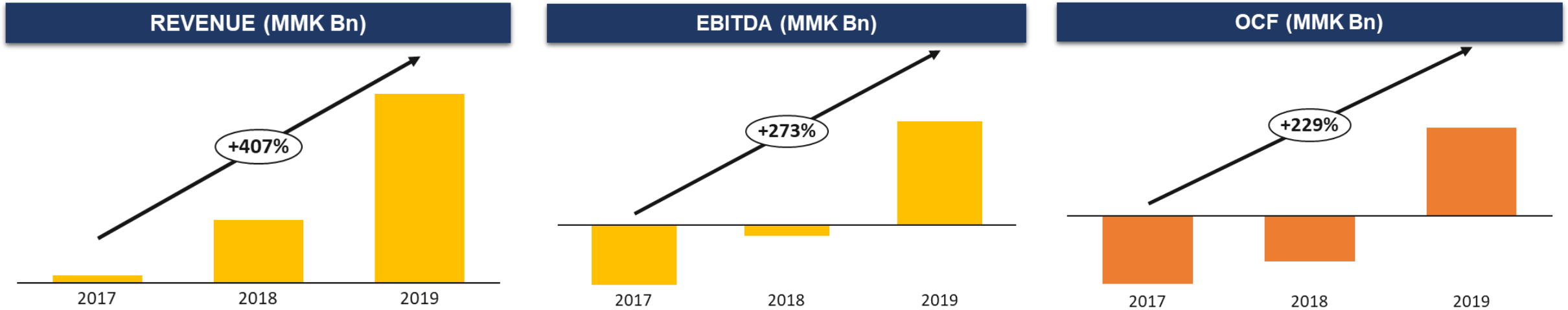
"Now, when the shops are closed, I don't need to leave my dorm."
Factory worker, North Dagon



"People in rural areas buy furniture on Facebook and Pay with Wave."
Furniture Reseller, South Dagon



At three year mark, Wave Money turned profitable – outperforming the GSMA mobile money benchmark



Global Benchmarks	1-2 Years Operations Start-up, Early Stage	4-5 Years Operations High-Growth, Remittance-Based	More than 5 Years Mature, Ecosystem-Based	
EBITDA Margin	-726%	2%	20%	Wave
Total Revenue (as % of MNO* Revenue)	0.2%	5%	15%	Wave

*MNO – Associated Mobile Network Operator

Source of Benchmarks: GSMA report (November 2014) on “Mobile Money for the Unbanked – Mobile money profitability: A digital ecosystem to drive healthy margins”



Wave Money has had an outsized socioeconomic impact on Myanmar

1 Huge impact on Myanmar's economy



- Transferred over **USD\$4.3 Billion (6% of Myanmar GDP)**
- **No. 1 in driving mobile money adoption** that went from 0.8% in 2016 to **91%** in 2019 for money transfer

2 Financial inclusion



- **17 million+ unique customers** (almost one half the economically active population)
- **USD\$2.5 Million** disbursed to cash transfer beneficiaries under government and NGO programs

3 Wealth creation for partners



- **56,000+ agents (93% of country coverage)**
- **USD\$50 Million** of credit loan disbursed to **MSMEs** through Yoma Bank

4 Brand & Recognition



- **No. 1 consumer brand** (100% awareness with 84% ToM)
- Winner of **Brand Leadership Award⁺**, **Best Payments Innovation Award^{*}** & **Best Financial Inclusion Initiative Award^{*}**

+At CMO Asia Awards 2019; *At Global Retail Banking Innovation Awards 2019



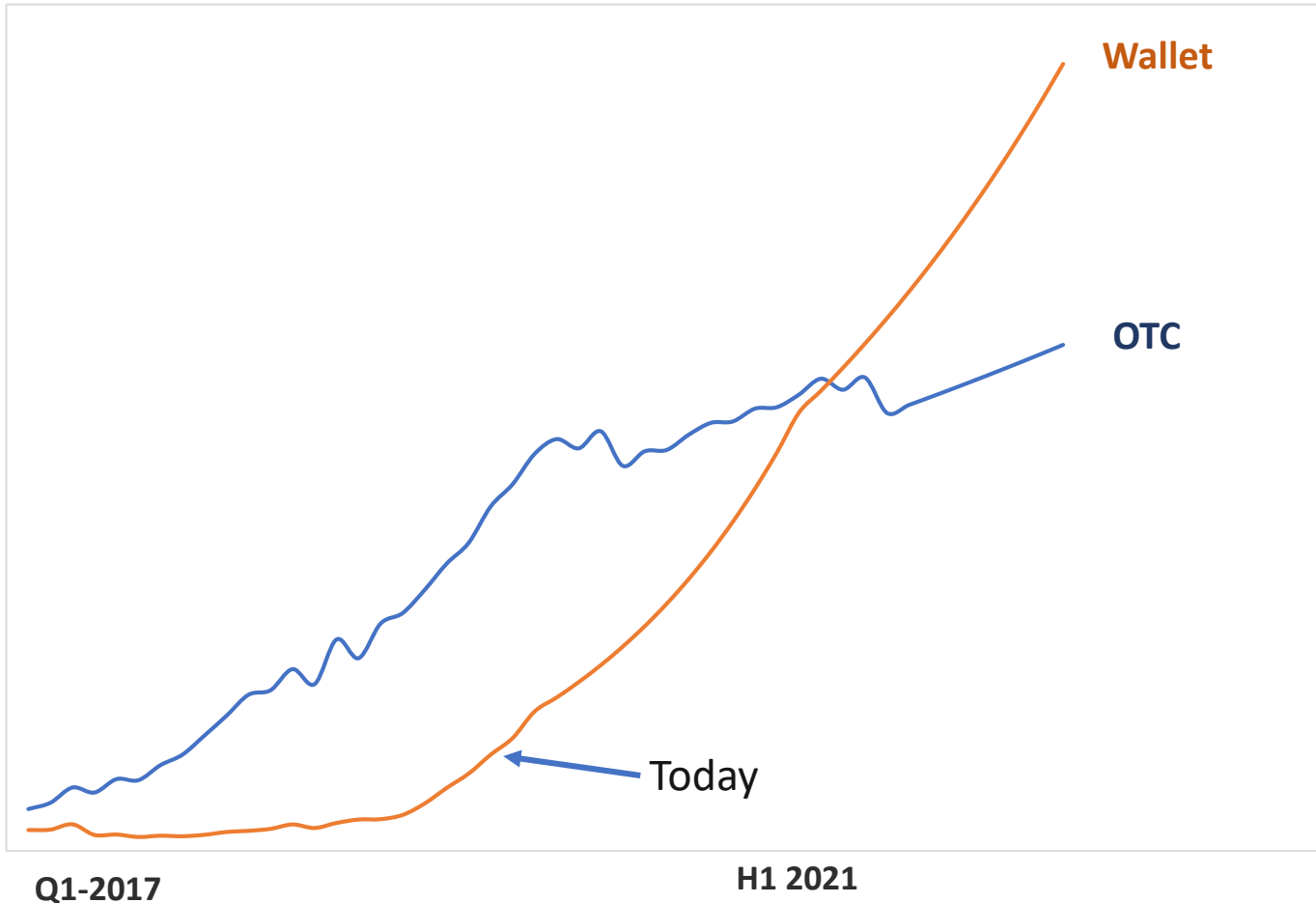
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On current transaction growth rates, we will see digital money transfer transactions eclipse OTC by H1 2021

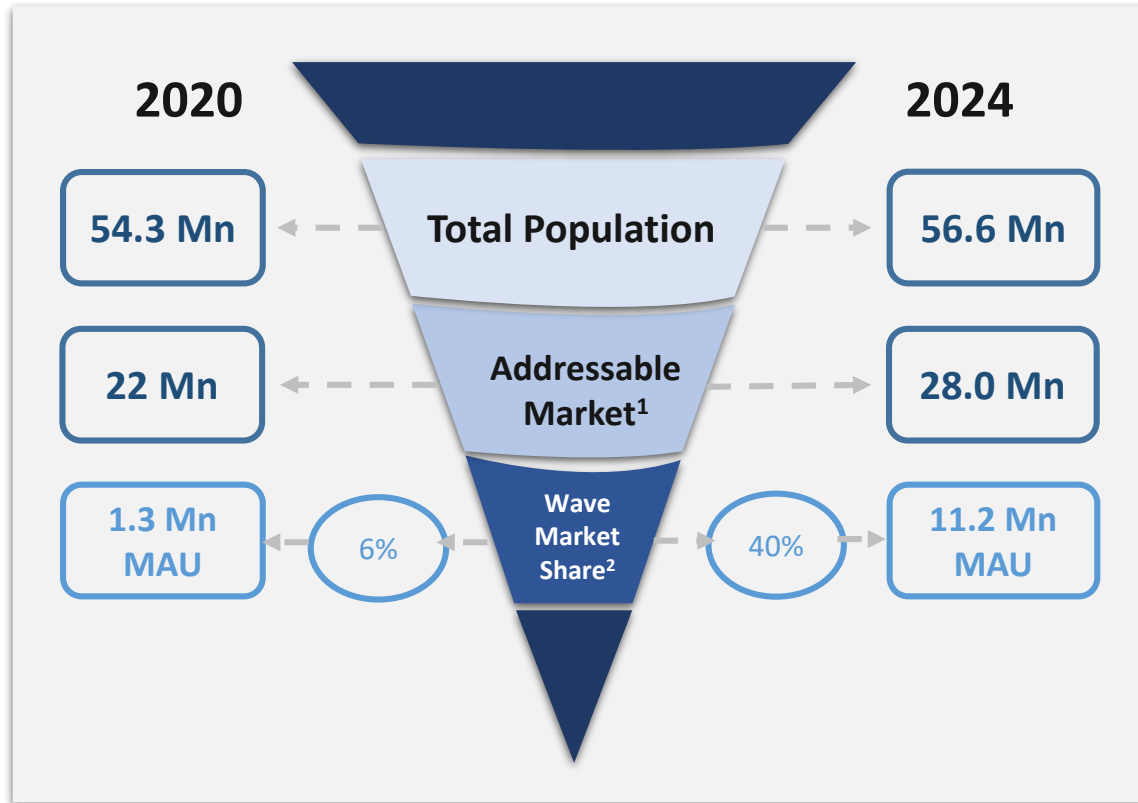
OTC & digital P2P adoption curve in Myanmar



- Based on current growth rates of our OTC and Wallet businesses, **the inflection point** (i.e. wallet transactions numbers = OTC transaction numbers) will likely happen around **H1 2021**
- We expect the OTC business to continue at modest growth rates from this inflection point as there are two clear customer segments emerging for money transfer with OTC and wallet (digital).

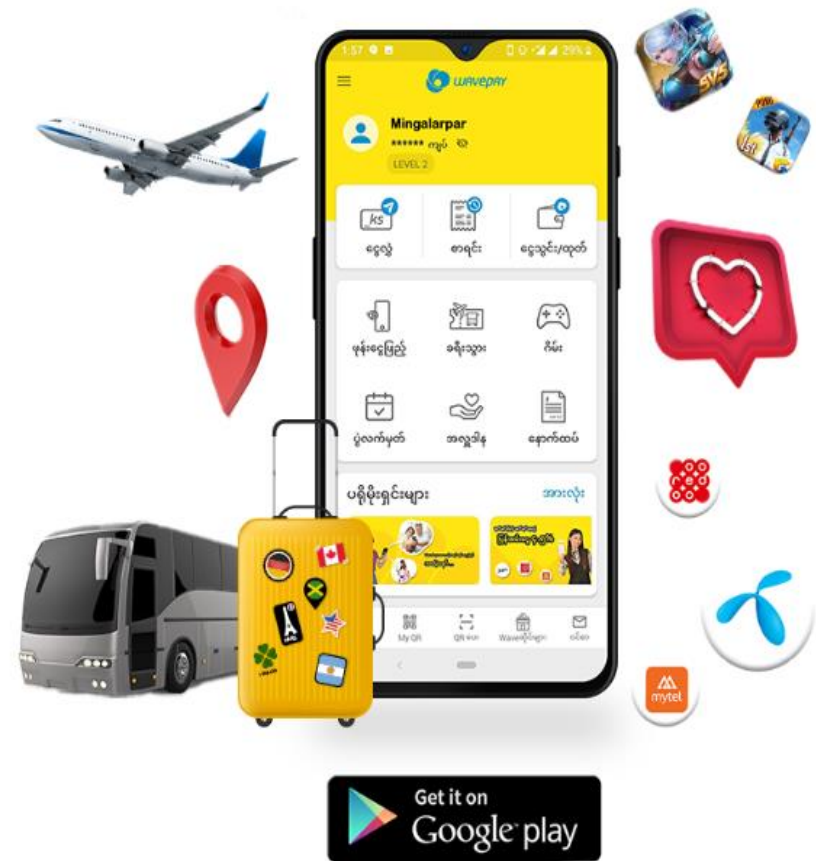
Wave Money's five year business plan reflects an ambition to become a super app for Myanmar citizens

% of MAU; % of Internet Users

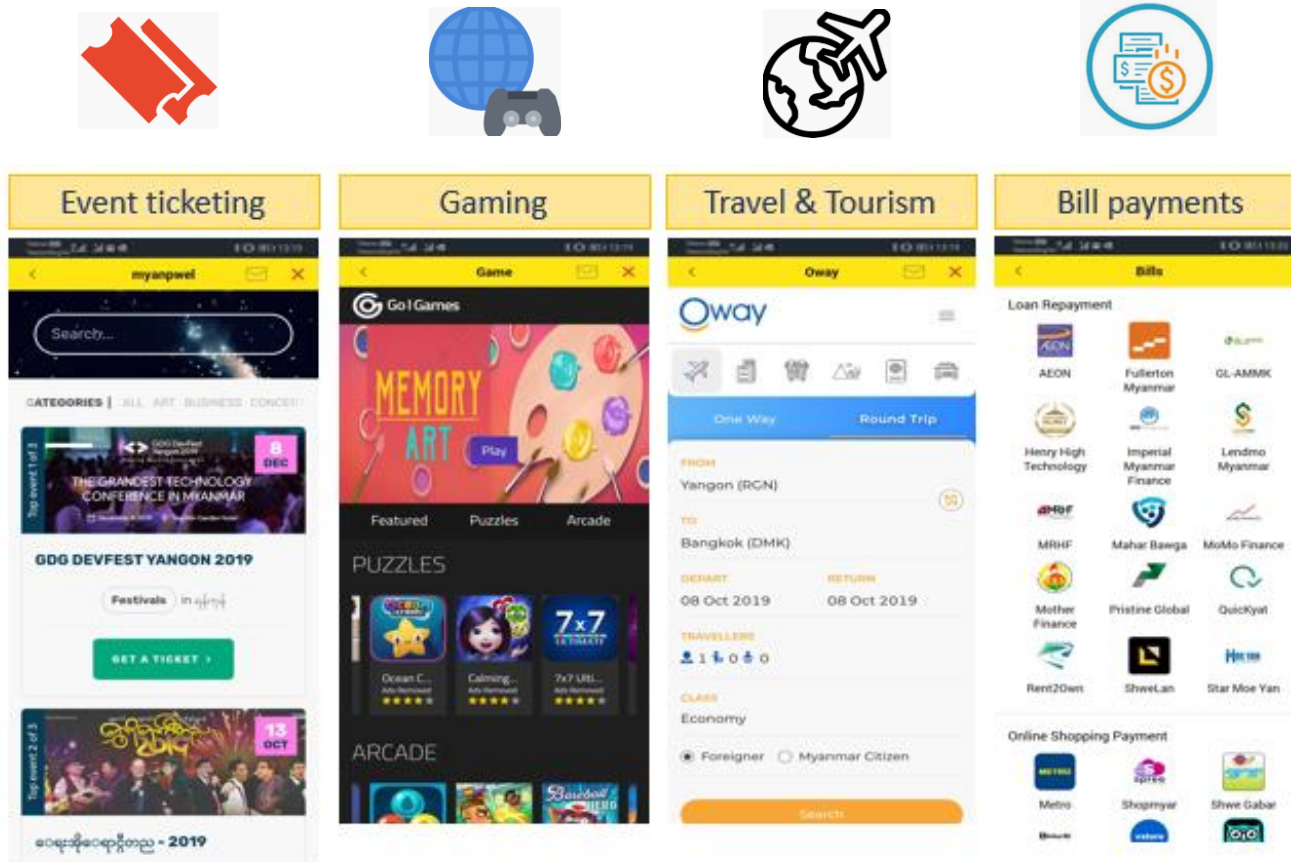


1. 5% YoY growth (Wave Internal Assessment) assumed for Internet Users Population data as per World Bank
2. Wave Market Share as a percentage of addressable Market

WavePay Vision: Be at the center of everyone's digital life



As we pivot into digital, we are identifying new use cases beyond money transfer and airtime top-up, whilst accelerating user acquisition through market incentives



- ✓ Most convenient and integrated payment platform in Myanmar
- ✓ Expansion towards advanced financial solutions (e.g. lending, saving, insurance, etc.)

Focused and experienced international and local management team with a track record of successful execution

Leadership Team



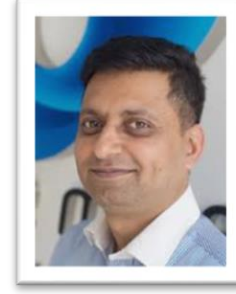
Brad Jones
CEO

- Founded two highly successful mobile money services in ASEAN
- Senior roles in Visa & ANZ



Prason Sinha
Deputy CEO & CFO

- Over 10 years in Telenor, including a period as CFO of Telenor India



Arvinder Grewal
CCO (Distribution)

- Over 20 years in FMCG, telecom & financial services including nine years in Telenor



Searching
CCO (Digital)
Expect to appoint June 2020



Neil Waller
CRO

- Over 30 years in financial services across Asia & Australia. Extensive risk management background



Searching
CTO
Expect to appoint May 2020



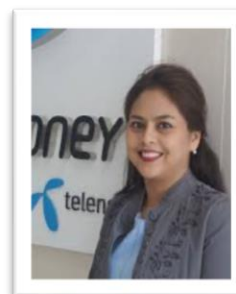
Khin Nita Thein
Director – Architecture & Data Center

- 25 years technology expertise including HSBC



Kyaw Than Aung
Head of Gov't Relations

- Over 20 years in banking and financial services in Myanmar, including at Yoma Bank



Mya San
Company Secretary & Head of Finance

- 20 years experience in finance in Australia & Myanmar



Thanthar Shwe
Head of HR

- 10 years HR experience in Myanmar & Thailand

For more information on Wave Money....

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