

Company Name: MoneyOnMobile Inc. (MOMT)
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<<Jonathan T. Marks, Analyst, Marcum LLP>>

Good morning everyone. My name is Jonathan. I am a partner with Marcum LLP. And it is my great honor to introduce you, Harold Montgomery, CEO of MoneyOnMobile.

<<Harold Montgomery, Chairman and Chief Executive Officer>>

Thank you, thank you very much. I don't know how much of an honor that is, but I will take it. Thank you, anyway thank you all for being here today, it's a great pleasure to present to you and talk about our Company MoneyOnMobile.

We are the largest mobile payment system in India, capturing the pent-up demand for digital transactions and ultimately connecting the unbanked population with digital payment destinations including bill payment and e-commerce. I have to show you the required statement about forecasts because my lawyer is in the room. But we'll move on quickly here.

We are a mobile payment system, a money transfer system. You can pay bills, you can send money to another person. This is a giant market opportunity approximately \$8 billion in net fee revenue for simple financial transaction services such as bill payment and money transfer.

We operate throughout India and we are targeting the very large unbanked population in India. So just for a minute, I want to let that thought soak in, it is hard for westerners to remember that there was a time before bank accounts and in India that time is today. Approximately 600 million to as many as 800 million people do not have a bank account in India or if they have one they do not use it.

So they are operating in an all cash environment, this means they are going from destination to destination to transact on individual bills or other payments that they need to make. It is very time consuming, it's very painful but 98% of all the transactions that happen in India are actually happening in cash. So that means this is a ripe environment for digitization of everyday transactions.

MoneyOnMobile, takes the problem from this kind of bill payment experience in Delhi where it's hot and crowded and time consuming and inefficient to this. This is a local convenient store known as a Kirana store in the neighborhood, staffed by a person our customer knows. The woman in pink is our customer, the woman in the middle of the slide there is our agent. She is vending out digital payment services, the woman in pink came down from her apartment in this building transacted with a trusted third-party conducted a few transactions and went back upstairs.

We do a wide variety of transactions, including cash collection for companies. We also do on the right hand side of the slide pre-paid mobile, top-up time, 98% of all the phones in India or 1 billion of them are actually prepaid. So people need to constantly pay into the system to get more air time. Television is the same way, its satellite TV, you have several hundred million subscribers but you have to pay every single month in advance to get TV.

Utility bill payments need to be paid on time but we also on the left hand side do a very important product called domestic remittance that is Western Union inside India. It's a husband sending money back home to the wife. You have a huge migrant population in India, migrant worker population sending their paycheck home to their spouse and kids. I'll show you more about that in a second.

This is how the mobile payment network is structured, everything depends on the agent in the middle of the slide. That is a small store just like the one I showed you, we connect 199 million consumers today with digital payment alternatives through 340,000 retail locations throughout the country.

In this space, the mobile money space we are the only company operating on a pan-India basis. We have locations in every state and most cities throughout India. We've processed a cumulative total of about US\$1.9 billion and are on pace to double that in the coming 12 to 18 months.

The consumer encounters our store and pays cash, again they are unbanked. They are transacting all-in-cash the store has a pre-paid deposit with our company and uses simple SMS text technology to connect with MoneyOnMobile to conduct all payment transactions. More specifically the consumer presents cash at the retailer. The instructions come to us via SMS text. Again this operates on a simple feature phone, does not require a smartphone. Those instructions go to our service provider and then a series of receipts and confirmations go back to the counterparties.

65% of our transactions are driven by SMS off a feature phone. You do not need a PC. You do not need internet. You do not need electricity. You can operate MoneyOnMobile off a card table in the middle of the street. You could operate it just person-to-person, doesn't matter. 35% of our transactions are actually done off a smartphone. We do have a smartphone app, we're equipped for that. That smartphones penetrate the Indian economy that's a good thing for us, it's easier and smoother to operate that way.

But you don't need to have it. We just recently introduced a new product called the MOM ATM, the MoneyOnMobile ATM. This is a card swipe terminal, what you have in India is a growing population of people moving from being purely unbanked into being what we call under banked, meaning they may have to have a bank account to receive payroll or government subsidy.

But due to the structure of the banking system in India, there's no bank around, no ATM around. So you actually can't get your money even though it's in a bank account. There's 150,000 banks in India and 200,000 ATMs, there are 600,000 towns and villages. So you can see the mismatch. And this is a really dire problem for a lot of workers in the countryside in particular.

So we put the MOM ATM there, you can swipe a card, you can actually withdraw cash from your bank account, it functions like an ATM. You can also buy goods and services from that merchant once he's card enabled. When we put these terminals in the stores they increase sales by anywhere from a low-end of 40% to a high-end of 200% month-to-month.

So you put it in at the beginning of the month, you'll see sales increases almost immediately on that product. We are attacking the unbanked population, which is as high estimates go as 185 million people in India. So this is a giant market segment. The other companies you may hear about like PayTM, MobiKwik, FreeCharge, Oxigen are largely target, not exclusively targeting the bank segment.

You have to have a smartphone, you have to have a bank account. We don't assume either one of those things. We assume you have a feature phone or access to one and you have cash. That's all you need to interact with MoneyOnMobile.

Let's talk about a specific use case. This is Mohan, who I met in Calcutta about eight months ago. Mohan is a migrant worker from the state of Bihar next door to Calcutta. His wife and family live back in Bihar in the village about 500 miles away. Mohan came to one of our locations on his lunch break. He paid for his wife's cell phone bill, which is a different carrier than he has, he paid for his own cell phone bill. And he sent his paycheck back home to his wife. Why did he do that at MoneyOnMobile. He could do all of those transactions in one location, quickly easily and cheaply. And he's back at work in no time, he saves on travel costs, he saves on time and when Mohan works more, Mohan earns more and that's good for everybody.

So this is a huge value-add, so you have a huge pent-up demand for these kinds of transactions in India. Here's another example of a use case, a branded location in Bangalore. This merchant branded around his entire store front to advertise MoneyOnMobile. That's a zero CapEx to start the whole process that's very important. Again all you need is your cell phone that you already have. You generate income on every transaction and again you're tapping into that huge pent-up demand for us.

So for a small retailer like this, this guy has gone the extra step to brand himself. But you are differentiating yourself and you're creating an additional revenue stream. Here's another use case, our population of unbanked is disproportionately female 70% of the population is female, the unbanked population. They are also disproportionately feature phone enabled, meaning they don't have a lot of smartphones in the female population in India.

We are tying up with organizations like this one, the Kalighat Society, which educates women about financial services and entrepreneurial opportunities throughout India. They are becoming agents at MoneyOnMobile. They are selling mobile top-up and other digital services, digital financial services to their circle of influence. The woman in India controls the purse in the household, and she builds lateral networks and vertical networks, lateral meaning friends and relatives and counterparties, vertical meaning down through the family.

So when you pick up one woman as an agent, you actually pick up about five or six other people in her network and they can trade with each other. Our system is very finely tuned to the cultural realities of India as well. Women prefer to deal with other women. They prefer not to go to a man. If a woman is going to top-up her cell phone, she will probably prefer to do it with another woman as an agent. So she's not giving her phone number to a strange man. That's very commonly known in India but not something that you might assume.

We are the largest provider in India. We've been number one for quite sometime by user count. We are number two on a worldwide basis after M-Pesa in Kenya, you may have read about. Our business model is exactly the same as theirs. We have a very experienced management team here. We're led in India by Ranjeet Oak, one of the founders of the business, very solid guy.

I'm the CEO of the U.S. side and the Chairman in India, we also have Will Dawson in the lower left hand corner who comes to us from MasterCard. Will implemented Mobile Money in Turkey and Egypt, so a great depth of experience there. Scott Arey, our CFO in the back of the room on the U.S. side. He is here to answer questions later if you need. Scott was with Bank of America and Stanford but he overcame that handicap and he implements the accounting and controls in India.

We do all the financing here in the United States, we do the audit and controls in India, in the United States. We also manage non-India strategic relationships out of the United States. You may know there's a lot of interest from Silicon Valley in India, in connecting to this population. But a great lack of understanding in Silicon Valley about how to do that in the all cash economy. So we are that translator between the Silicon Valley digital world and the India cash world.

We just joined – Jim McKelvey just joined our board about a year ago. Jim you may know is one of the founders of Square. He has been very helpful to us. Kay Bailey Hutchinson, our retired U.S. Senator from Texas just joined the board about 60 days ago. Kay is particularly interested in female empowerment initiatives that we're doing. There are four key business elements to our business plan, I want to reinforce with you.

And one of them is that we are a revenue sharing model, right. Everybody in our business makes money, we make a percentage of every transaction. We share that with our distribution channel. So we are an entrepreneurial opportunity but most importantly we

have zero cost of customer acquisition, we have put this in front of 200 million Indians at zero marginal cost per head.

That's very important because what you have to do is show this to a lot of people in order to get that 10 or 20 million that are really going to drive that, right your heavy users. You've got to find those as cheaply as possible, that's why you need to show it to 200, 300, 400, 500 million people to boil it down to the ones that are really going to move it. And that's why zero cost of customer acquisitions are important.

Because it's a job opportunity a lot of people come into it everybody makes money, they do as much as they want but if they don't do anything at all it doesn't cost us anything. We use existing familiar technology and SMS text. We operate in 13 different languages throughout India. And we have zero marginal cost of a transaction. So every transaction we do actually generates a gross margin to the bottom line.

Once we cover our costs everything becomes our profit margin, we're growing very rapidly. As you can see from this slide, we grew 37% last year, I don't know how fast we're going to grow on this fiscal year it's going to be higher than 37%.

You can see that revenues were up for the first quarter by 20%, May revenue alone was up 10%. If you look at this number here, you'll see that by revenue, by category of product we were up 86% on domestic remittance in ATM by revenue in May. Mobile top-up up 3%, all other up 16%, we are growing very rapidly.

A little bit on the shares, the share price is depressed at the moment. I recommend this is the lowest price we've had in a very long time. It's purely due to lack of understanding around the India opportunity that we have. It's a very well controlled or tightly controlled shareholder base. We do have 42% in the open flow, 5% institutional, officers and directors are heavily invested.

That brings me to the end of my formal presentation. So I think we've got a few minutes left for Q&A, what can I tell you. Any questions, yes sir.

Q&A

<Q>: [Question Inaudible]

<A – Harold Montgomery>: We will not be going to other countries with this model India is plenty big and if we can master India we've done our job. And it will create a multi-billion dollar company in India alone. So we don't need to go anywhere else. Yes sir.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: No, it is not resident on the phone. The phone is only the instrument with which they communicate with us via SMS text. So the cash is going from

the customer to the retailer from the retailer to MoneyOnMobile's bank account it's not in the phone at all. Yes sir.

<Q>: Can you discuss how the Company has been financed so far.

<A – Harold Montgomery>: Yeah. It's – we've conducted a series of pipes in the private market, classic bulletin board pipes we are on the QX as you know. And we've done incremental financings anywhere from \$3 million to \$8 million on a pretty much an as-needed basis, so we've invested about \$30 million into India and that recipe has worked pretty well for us. Our goal however is to uplift to the NASDAQ in this calendar year. So we are working on that. Yes sir.

<Q>: Two related questions. [Question Inaudible]

<A – Harold Montgomery>: Well, I think its low based on the potential per agent but that is about the product array and the penetration in the local customer base. So as we put out more products, you'll see the agent revenue grow and we've already seen that with the MOM ATM, once we put the ATM product out there, you can see sales as much as double. So with that question, our sales are relatively low relative to the opportunity because you can only put it out there so fast before you really break the system, right. You've got to grow into the opportunity. So just because we have this giant ocean of opportunity in front of us, it doesn't mean we can address it all at once.

We've been very careful and very deliberate about growing our system in a way that actually satisfies the customer because what you don't want to do in India is get all excited to run out there and try to service everybody in the world and then you can't really handle it. Its very hard to imagine for most westerners, the depth of demand that you see here. Our early adopter population in India is probably 200 million or 300 million people, right. So when I go to India and I talk to people like Mohan and these other folks, I show the MoneyOnMobile, they've never seen it before and they all to a person say, I've got to have this, when can I get this, you have no idea how hard it is to get things done around here.

So as an entrepreneur investor, I love the demand pool that I see for the products and I've seen it now for five years and with India 30 plus times. I have spent almost the entire year in India so far. But at the same time it scares me because if you overdo it, you won't be able to handle the demand. So you've got to be very deliberate about how fast you grow a business like this. But as I showed you, certain product categories are growing 86% I mean I've never seen that before, right. Yes.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: No, not entirely it depends on the local language, you'll see...

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Yes.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: I doubt that they would – sorry about that, I doubt that they would necessarily see it. So this is an important distinction I need to make for you, we are not a consumer brand in India. We are branded at the merchant level, right.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Yeah, I mean I could give you some locations where you could go and you'd probably see it.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Well, yes. The reason I showed you the use case around branded locations is that does clearly increase the sales when you do a better job of branding and advertise the brand and the utility more than the brand and what you can do part of it, like I can top-up my mobile, I can do all sort of stuff, that helps a lot. So we are actually on a branding campaign to take our high performing locations and brand them to help them do better.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Well I don't think you really want a brand 300,000 locations they are not all really worth it, but honestly but you probably want to wind up with a population of about 100,000, 150,000 that are branded after a three-year period surprisingly it is not that expensive to brand them. It's under \$50 a copy to do all of that I just showed you. So you need \$4 million, \$5 million to fully brand the key part of the network that you'd want to do.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Yeah, I think that's right. At a minimum we are getting the phone number and the location where the consumer interacted. So there is a lot of potential areas you could go into. I'll just give you an idea, advertising to that population of consumers that gave you their phone number. You can go and say look, you paid a utility bill at this location come back at the end of the month, you need to pay the bill again or come back because we are having a special on soap or whatever, there's a lot you can do that's an idea. Another advertising, another idea is starting to build a credit track record of spending on behalf of these consumers, this population I'm talking about is financially invisible. They don't exist in any of the financial records.

So one of the frustrations I have and frankly coming to New York is when people's research India. They go to the Internet and they're looking at official bank data but there's

this whole other world out there that's not in the Internet. They're just not there so you've got to go to India to see it, one thing you can do is say to somebody look you're interacting with MoneyOnMobile. If you spend at \$10 a month then we'll know you're for real and then we could lend you money, we could do a lot of different stuff so there's a credit bureau type function. This is just two ideas there's a whole bunch more we could talk about but for lack of time, yes, sir in the back.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: We get about – roughly overall we get about 1% of everything that goes through the pipe.

<Q>: Your share.

<A – Harold Montgomery>: Our share that we keep not including the parts of the distribution channel and all of that.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: We would have \$1.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Well, you get about 2% or 3% that goes to the distribution channel.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Correct.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Well, no because we're a merchant what's called a merchant discount model in the language. So when we sell mobile top-up for a phone company we're buying it at a 4% discount and we're reselling it at 100% face price – right face value. So we're keeping 4%, we're giving 3% to the distribution channel and the customer paid retail. It's a classic wholesale buy retail sell distribution model same as you'd have for shampoo or whatever it's just happened to be virtual product that makes sense. Okay, yes sir.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Yeah, most of them. There are 14 million retail locations in India that have a footprint of 500 square feet or less. I would venture to say that 98% of them deal in all cash all the time and are unbanked themselves that's just a guess but if you walk around most of Delhi with a credit card is going to do you no good at all.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: I don't think our penetration is deep enough, honestly we're just scratching the surface here Tony, I mean there are certain locations that are MoneyOnMobile enabled where you could do that but the vast majority we are at 300,000 out of a population of 14 million stores. So that's what 2% or 3% penetration into our target market population. So we've got a long way to grow, I mean it's really hard again to emphasize the nature of the scale of the opportunity that we're talking about here. So are we ubiquitously populated throughout India not by a long shot.

<Q>: No, that wasn't my question. My question was if I have MoneyOnMobile, can I only transact with somebody like MoneyOnMobile?

<A – Harold Montgomery>: No, okay. Different question if you've loaded a wallet balance let's go to the next evolution here.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Right.

<Q>: I am walking around Delhi, realizing that my credit card is useless, can I buy a grapefruit from a guy ...

<A – Harold Montgomery>: Yes, you could.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: The way you would do that is you would ask him for his phone number, you would text us and say move Rs. 20 from my account to his account we would text him and say you only have Rs. 20 on your account with MoneyOnMobile, he's going to go. I never heard of MoneyOnMobile but I like it already. Now what and that's how it can spread virally at that level. Now we haven't achieved that level of saturation yet but I think you're going to start to see something like that evolve in the business model naturally as it goes forward. Yeah.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Yeah, they're an agent, yeah, absolutely. You don't need to be a store. I've got pictures of people in Calcutta that are doing this literally on a card table in the middle of the street. You don't need a physical point of presence. You need a cell phone and some cash.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Less likely, right less likely that's more about bill pay and things like that. So they don't have to leave the house. I mean in many parts of India women are not allowed to leave the house during the day, right. They're not allowed to go on daylight. So how are you going to administer the home that way while MoneyOnMobile gives you a tool to do that. Anybody else? Yes sir.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Well, to be technically correct about it, it transfers from an account in our records to another account in our record. Okay.

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Right.

<Q>: How do you convert that into cash?

<A – Harold Montgomery>: How do we?

<Q>: [Question Inaudible]

<A – Harold Montgomery>: Your cash is in our bank account.

<Q>: No, I am not explaining myself.

<A – Harold Montgomery>: Okay.

<Q>: If I am walking through India, and you are selling a grapefruit, and I want to buy it, I have \$100 on my phone.

<A – Harold Montgomery>: Yeah, yeah.

<Q>: And you are charging me \$10, or Rs. 1000 or whatever the exchange rate is.

<A – Harold Montgomery>: Got you, okay.

<Q>: So you get a Rs. 1000 on your phone text. How do you convert that into a 1000 rupee note?

<A – Harold Montgomery>: There are two things you can do. You could go to one of our locations, if you have a bank account, swipe your card and pull the cash out. If you don't have a bank account, which you probably don't, you can sell that to another individual. You could text it to a guy and have him give you 1,000 in cash, right. You can do that or you can just go buy something digitally, you may not need the paper cash but those would be the three things you can do with digital money.

<<Harold Montgomery, Chairman and Chief Executive Officer>>

Okay. I think we're out of time but we have one more. Sorry, anybody who wants to be on our mailing list or learn more about the company, my colleague Trevor Brucato [ph] is in the back, can take your business card will add you to the mailing list. Thank you all for being here. I appreciate it very much.

<<Jonathan T. Marks, Analyst, Marcum LLP>>

Thank you.