



remi

Financial Model Memo





1. Executive Summary

The current financial model is built around a staged expansion strategy that begins with corridor activation and then broadens into multiple products, participants, and revenue streams. The model does not assume that Remi becomes a scaled infrastructure network on day one. Instead, it assumes a phased commercial build:

1. Activate the first corridors.
2. Prove operational reliability and transaction behavior.
3. Add participant types and product lines.
4. Transition from a launch wedge to a broader network monetization model.

The model reflects five monetization buckets over the first two years:

- Remi Network
- Remitty
- Payroll
- B2B cross-border payouts
- Freelancer payouts

This structure is important. It means the company is not modeled as a single-product remittance app. It is modeled as an infrastructure-led platform with a retail entry wedge and later expansion into higher-value transaction categories.

At a high level, the model shows:

- a launch period focused on corridor activation rather than maximum early margin
- a visible shift to positive operating leverage during Year 2
- increasing revenue concentration in infrastructure-led network activity over time





2. Model Logic and Structure

2.1 What the model is designed to show

The financial model is designed to answer four questions:

1. Can the first corridors be activated on realistic early economics?
2. Can the business move from activation to monetization without requiring a complete licensing stack upfront?
3. Can the company expand beyond a single remittance use case into a broader cross-border operating system?
4. Does the commercial structure support meaningful operating leverage once corridor density increases?

2.2 What the model is not trying to do

The current model should not be read as a precision forecast of every future corridor. It is best understood as:

- a launch and scaling model
- anchored in the first corridor set
- with explicit product additions over time
- and with commercial assumptions that normalize after the initial activation window





3. Revenue Streams in the Current Model

The current model includes the following revenue lines over the first two years.

3.1 Remi Network

This is the infrastructure revenue line and the core company thesis.

It reflects:

- corridor-level network activity
- infrastructure monetization over supported flows
- the progression from early activation economics into recurring transaction-based network revenue

This is the largest line in the model and becomes increasingly dominant as the business scales.

3.2 Remitty

Remitty is the first network participant and first consumer-facing distribution wedge.

Its role in the model is to:

- generate early corridor traffic
- validate transaction behavior
- prove payout and settlement operations
- support the infrastructure narrative with live user-side execution

Remitty should therefore be interpreted as the initial participant layer, not as the company identity.

3.3 Payroll

Payroll is the first B2B expansion layer.

It adds a more predictable and contract-driven revenue profile to the model by introducing:

- business customers
- recurring usage behavior
- less consumer acquisition volatility than a purely retail flow







3.4 B2B cross-border payouts

This stream introduces higher-value commercial flow types beyond retail remittance.

It matters strategically because it supports the broader thesis that Remi is built to serve regulated participants and operating businesses, not only individual senders.

3.5 Freelancer payouts

Freelancer payouts represent a bridge between retail and B2B usage. The stream adds a corridor-relevant use case where cross-border disbursement needs are frequent, time-sensitive, and operationally fragmented in existing systems.

4. Launch Timing in the Current Model

The current model reflects the following launch sequence:

- **Remi UAE > Egypt:** May 2026
- **Remi EU > Morocco:** September 2026
- **Payroll:** November 2026
- **B2B cross-border payouts:** February 2027
- **Freelancer payouts:** February 2027

This sequence is directionally consistent with the broader company rollout logic:

- start with corridor activation
- prove the first infrastructure relationships
- use the initial participant to generate throughput
- then add higher-quality and higher-value transaction categories





5. Corridor Sequence and Strategic Interpretation

The model and narrative should be read together.

5.1 Initial corridor set

The first corridor set is:

- **UAE > Egypt**
- **EU > Morocco**

This is the first operational layer of the network.

5.2 Later corridor expansion

The broader expansion sequence remains:

Year 2

- Egypt > UAE
- EU > Egypt

Phase 3 corridor depth

From send markets:

- UAE
- Saudi Arabia
- Kuwait
- Qatar

To receive markets:

- Egypt
- India
- Pakistan
- Bangladesh
- Nigeria
- Kenya







Phase 4 corridor scale

Same receive markets as Phase 3, with send markets expanded to include:

- European Union
- United Kingdom

The model should therefore be interpreted as a launch and proof model for the first corridor set, not as a fully built forecast for all future markets.

6. Current Financial Output

Based on the current model structure, the business shows a staged but accelerated ramp between Year 1 and Year 2.

6.1 Year 1

- **Revenue:** approximately **USD 1.25M**
- **Net income:** approximately **USD (39K)**

Interpretation:

- Year 1 is primarily an activation year.
- The business is not modeled to maximize accounting profitability immediately.
- The model assumes launch friction, waived infrastructure fee in the initial window, and participant-side execution costs during corridor activation.

6.2 Year 2

- **Revenue:** approximately **USD 17.62M**
- **Net income:** approximately **USD 9.87M**

Interpretation:

- Year 2 is where the model begins to show the intended operating leverage of the business.
- The shift is driven by corridor normalization, additional streams, and a larger revenue contribution from network activity.





7. Revenue Mix in the Current Model

7.1 Year 1 revenue mix

Approximate contribution by stream:

- **Remi Network:** USD 0.86M
- **Remitty:** USD 0.20M
- **Payroll:** USD 0.10M
- **B2B cross-border payouts:** USD 0.02M
- **Freelancer payouts:** USD 0.08M

Interpretation:

- Even in Year 1, the infrastructure line is already the primary revenue component.
- This supports the Remi-first framing.
- Remitty contributes to activation and proof, but does not dominate the company model.

7.2 Year 2 revenue mix

Approximate contribution by stream:

- **Remi Network:** USD 12.05M
- **Remitty:** USD 4.35M
- **Payroll:** USD 0.32M
- **B2B cross-border payouts:** USD 0.15M
- **Freelancer payouts:** USD 0.74M

Interpretation:

- Year 2 clearly shows the intended center of gravity: the Remi Network line becomes the dominant driver.
- Remitty remains important, but the business becomes less dependent on a single participant.





8. Profitability Path

8.1 Revenue inflection

The current model turns to positive monthly revenue contribution during the launch period and then accelerates through the first normalized operating cycle.

8.2 EBITDA inflection

The model shows **EBITDA turning positive in January 2027**.

8.3 Net income inflection

The model shows **net income turning positive in January 2027**.

Interpretation:

- the model assumes a real launch period with commercial softness upfront
- the model then transitions into a stronger margin profile as pricing normalizes and volume scales
- this is consistent with the company strategy of prioritizing corridor activation first and monetization depth second





9. Core Economic Interpretation

9.1 Why Year 1 looks intentionally constrained

Year 1 should be interpreted as an activation period with three temporary characteristics:

1. **Infrastructure fee waiver** on the first exchange-house-originated flow
2. **Defined per-transaction execution cost** on the first Remitty-originated flow
3. **Liquidity ramp-up** before the corridor reaches normalized operating density

This means early financial softness is structural, not accidental.

9.2 Why Year 2 accelerates sharply

Year 2 benefits from:

- post-launch commercial normalization
- higher transaction throughput
- additional product lines
- stronger revenue concentration in infrastructure-led activity
- the beginning of operating leverage across the network mode

10. Commercial Assumptions Applied in the Memo Set

This financial memo should be read together with the Commercial Model Memo.

The commercial assumptions reflected across the memo set are:

10.1 First exchange-house, Remi-originated flow

- first 6 months: **USD 0.30 per transaction cost to Remi**
- thereafter: **USD 0.50 per transaction cost to Remi**

10.2 First exchange-house, exchange-house-originated flow using Remi infrastructure

- first 6 months: **waived**
- thereafter: **USD 0.10 per transaction fee to Remi**







10.3 Float economics

- all interest generated from corridor settlement liquidity accounts belongs to **Remi**

10.4 Liquidity commitment

- months 1-3: **USD 250,000 per day**
- months 4-6: **USD 500,000 per day**
- month 7 onward: **USD 1,000,000 per day**

These terms explain why the launch period has softer monetization than the later operating period.

11. How Investors Should Read the Model

The model is best understood in three layers.

11.1 Layer 1: Activation

The first phase is about proving the corridor works under live commercial conditions.

That includes:

- real payout readiness
- real liquidity coordination
- real participant economics
- real user and partner transaction behavior

11.2 Layer 2: Normalization

The second phase begins when launch concessions roll off and the corridor starts operating on a more standard commercial basis.

That is where the infrastructure thesis becomes more visible financially.





11.3 Layer 3: Replication

The third phase is the repetition of the model across more corridors, more participants, and more transaction categories.

The long-term value is not the first participant alone. The long-term value is the network logic becoming repeatable.

12. Key Strengths of the Current Model

12.1 Remi-first revenue concentration

The model already shows infrastructure-led revenue becoming dominant. This is a strong signal for investor interpretation because it reduces the risk of reading the company as only a consumer remittance app.

12.2 Clear staged monetization

The model distinguishes between:

- launch economics
- normalized economics
- multi-stream expansion

That makes the business easier to underwrite than a model that assumes immediate perfection.

12.3 Product expansion beyond remittance

By incorporating payroll, B2B payouts, and freelancer payouts, the model shows a path from a corridor wedge to a broader regulated money movement platform.

12.4 Operating leverage becomes visible

The movement from a nearly breakeven Year 1 to a materially profitable Year 2 is a key part of the investment case.





13. Key Risks and Interpretation Limits

13.1 Year 2 acceleration is significant

The step-up from Year 1 to Year 2 is substantial and will naturally draw attention in DD.

Interpretation:

- this is acceptable if supported by corridor activation proof, commercial normalization, and partner execution evidence
- it should not be presented as automatic or frictionless growth

13.2 The first corridor matters disproportionately

The launch model depends heavily on the success of the first corridor and first participant configuration.

Interpretation:

- this is normal for an infrastructure business in market-entry phase
- concentration risk falls as more corridors and participants are added

13.3 Float should remain conservative in core discussion

Float belongs to Remi and is strategically important, but it should remain a supporting economic layer rather than the headline justification for the business.

13.4 The model is still a launch model

It captures a realistic early operating structure, but investors should not read it as the final shape of every future corridor.





14. Conclusion

The current financial model supports a clear strategic interpretation:

- Remi is the infrastructure company.
- Remitty is the first network participant.
- launch economics are intentionally softer than steady-state economics.
- the business becomes more attractive as infrastructure monetization normalizes and additional streams are added.

The most important takeaway is that the model already points toward the intended company shape: not a single remittance app, but a cross-border infrastructure network with a consumer wedge, expanding corridor logic, and growing operating leverage.

Appendix A. Launch Sequence Reflected in the Model

- Remi UAE > Egypt: May 2026
- Remi EU > Morocco: September 2026
- Payroll: November 2026
- B2B cross-border payouts: February 2027
- Freelancer payouts: February 2027

Appendix B. Approximate Revenue Mix Snapshot

Year 1

- Remi Network: USD 0.86M
- Remitty: USD 0.20M
- Payroll: USD 0.10M
- B2B cross-border payouts: USD 0.02M
- Freelancer payouts: USD 0.08M







Year 2

- Remi Network: USD 12.05M
 - Remitty: USD 4.35M
 - Payroll: USD 0.32M
 - B2B cross-border payouts: USD 0.15M
 - Freelancer payouts: USD 0.74M
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Appendix C. Profitability Milestones

- EBITDA positive: January 2027
- Net income positive: January 2027

