

# OXPAY FINANCIAL INVESTOR FACTSHEET

March 2022



## Company Profile

Established in 2005, OxPay is an O2O financial services technology provider with a fully integrated platform that allows both online and offline merchants to run and grow their business easily.



**Global HQ**  
Singapore



**Offices**  
4 offices;  
4 countries



**Merchants**  
4000+

**Share Price**

0.19

**Market cap (SGD m)**

52

**Financial Year End (FYE)**

31/12/21

Source: Yahoo Finance. (Share price as at 22 Mar 22)

## Regional Payment Licenses



**BANK INDONESIA**  
Payment Gateway  
Provider



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA  
Merchant Acquiring  
Service Provider

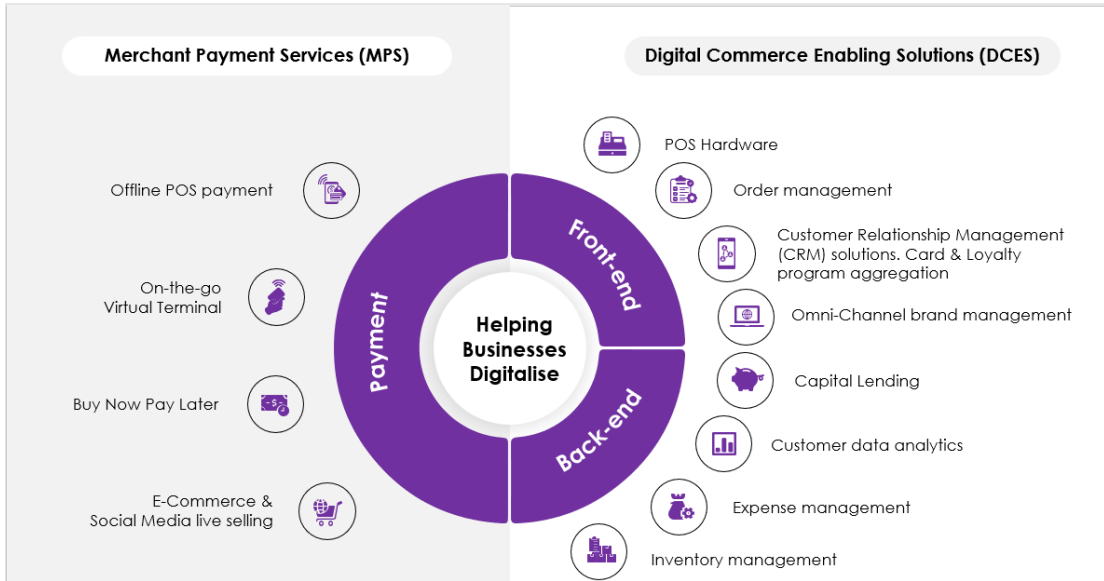


**ธนาคารแห่งประเทศไทย**  
BANK OF THAILAND  
C3 License Payment  
Service Provider



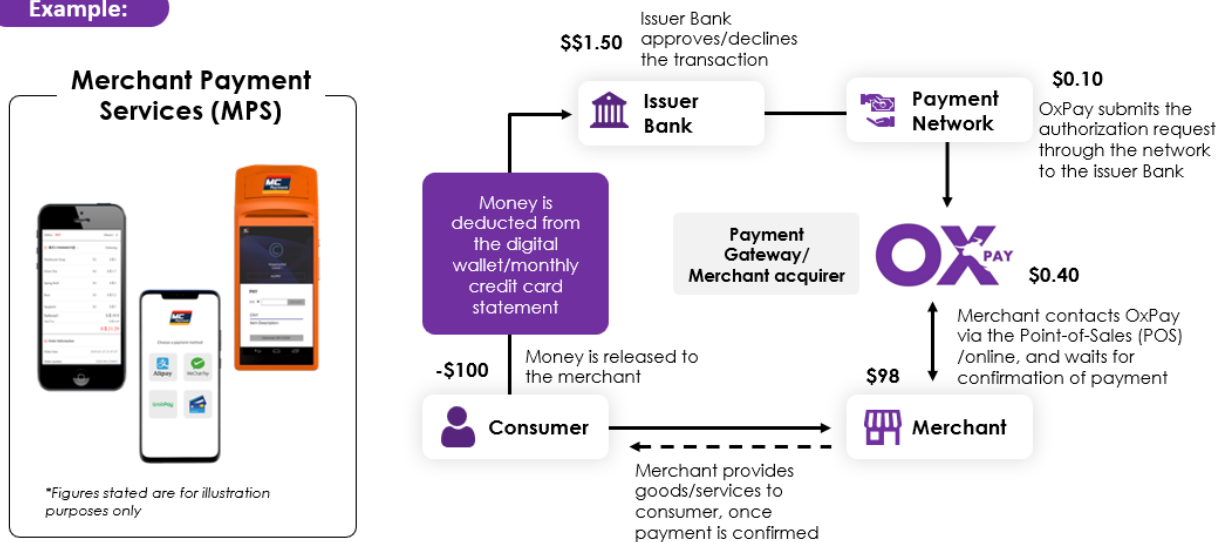
**MAS** Monetary Authority  
of Singapore  
Merchant  
Acquisition Service

## Who we are? - Platform-as-a-Service (PaaS)

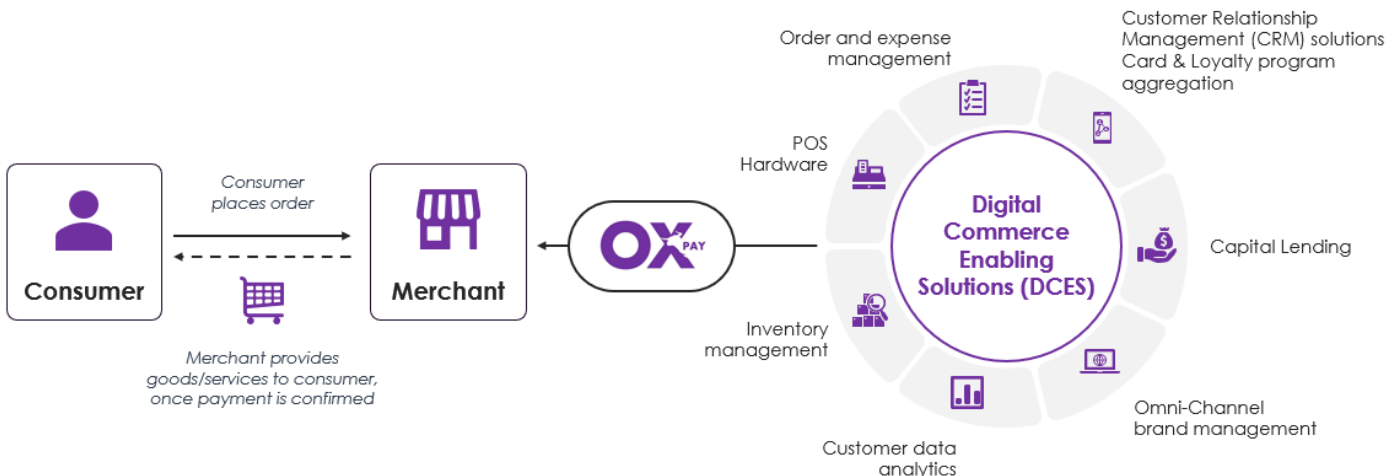


## Relationship between OxPay and its customers and suppliers - Merchant Payment Services (MPS)

Example:



## Relationship between OxPay and its customers - Digital Commerce Enabling Solutions (DCES)



## 4 “E”s Corporate Strategies

### Expand Customer Base

#### 1. Addition of new customers and touch points

- Exclusive payment provider for Hive Ventures → Addition of >4,000 restaurants and 200 suppliers in Thailand
- Launch GrabPay payment processing for Watsons in nearly 100 locations in Singapore
- Exclusive digital payment provider for 98 Q & M clinics across Singapore → Payment processing options includes all digital payment such as Visa/ Master, NETS, PayNow, Grabpay and Dash

#### 2. Collaborating with more Buy-Now-Pay-Later Partners

- Collaboration with Atome, Octifi, PaySlowSlow in Singapore and IOUpay in Malaysia

#### 3. M&A of retail & F&B platforms

- Proposed acquisition of up to 20% stake in AppsPOS → Allows OxPay to tap into AppsPOS’s network of over 300 F&B and retail merchants with annual transaction vol > S\$300m

### Enhance Products & Services

#### 1. Integration of new payment methods to enhance product offerings and efficiency for merchants

- Added ShopeePay as a payment option for Singapore, Malaysia and Thailand markets
- Added Rabbit Line Pay to offer QR payment services in Thailand

#### 2. Integrating complementary services to improve customer stickiness:

- Rolls out Buy-Now-Pay-Later transactions processing on platform
- Launch Social Media live selling solutions
- Partnership with Transwap to offer neo-banking solutions

#### 3. Exploring leading edge trends to be at the forefront of the payment industry

- Partnered TripleA, Singapore’s first MAS-licensed cryptocurrencies , to offer local merchants the ability to accept payments in cryptocurrencies and receive settlements in fiat currencies

### Extend geographical reach

- UK and European markets – Partnership with TranSwap
- Acquiring/applying for new payment licenses in other geographical markets such as Cambodia, Vietnam, Philippines, and Australia
- Regional countries through partnership with current acquirer (FIS) with regional presence

### Expand company portfolio

#### Look to acquire complementary profitable business solutions providers to support corporate clientele

- Proposed acquisition of up to 20% stake in Appspos – Add on to the Group’s Digital Commerce Enabling Solutions
- Applying for additional licenses (e-money, account issuance, DPT)

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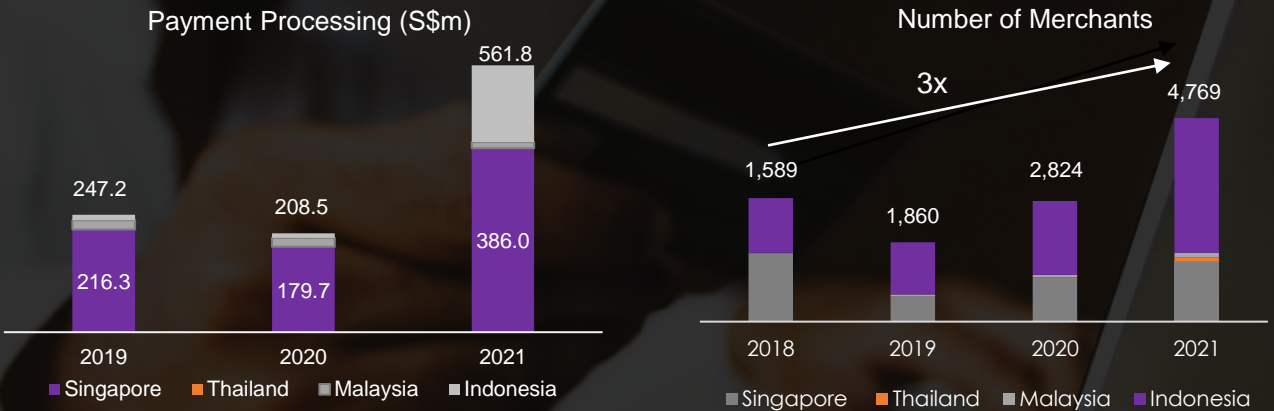
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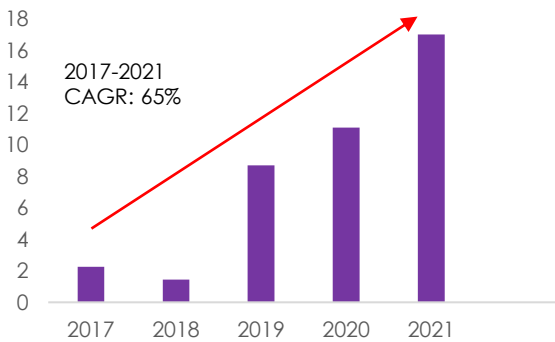
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## Rising Network of Merchants and Payment Processing Volume

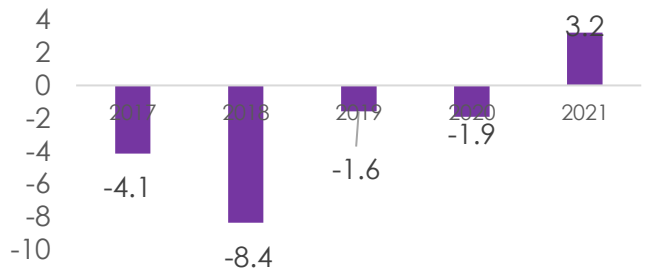


## Revenue, Profitability and Cashflows

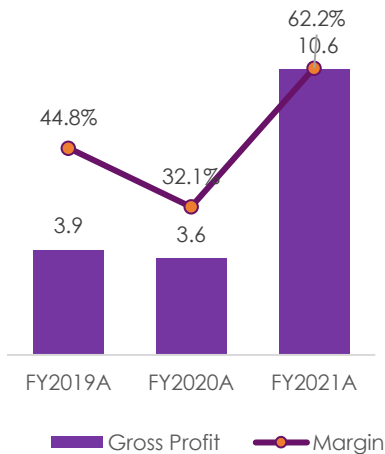
Revenue (\$m)



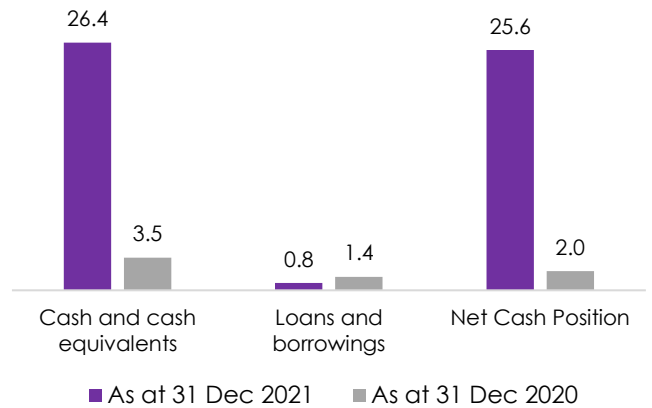
Adjusted Net Profit (\$m)



Gross Profit and Gross Profit Margin (\$m)



Financial Position (\$m)





## Investment Merits

**OxPay** is the first digital payments company to be listed in Singapore, becoming a proxy for local investors looking to capitalize on the rising trend of digital payments in the region. As a payment gateway and processor provider, OxPay provides an integrated platform enabling merchants to run their businesses both online and offline. Revenue has jumped more than 7x since FY17, after the Group made a pivotal shift towards direct merchant acquisition which helped to accelerate the onboarding of new merchants. As the Group achieved economies of scale, turning profitable in 1HFY20, its plan to accelerate its merchant acquisition and regional expansion would drive exponential profitability growth ahead.



### Local proxy to the rise of regional digital payment

OxPay is the first digital payments company to be listed in Singapore, making it a proxy for local investors looking to ride on the rise of digital payment. Non-cash transactions in APAC is projected to grow at 28% CAGR from 2020-2025, representing more than half of global non-cash transactions<sup>1</sup>.

<sup>1</sup>(Source: [Worldpaymentsreport2021](#))



### High barriers to entry

The payment sector is highly regulated, and licenses take a long time to be awarded, serving as high barriers to entry to the sector. In Singapore, OxPay is 1 of 26 companies in Singapore to have the merchant acquisition licenses as at Apr 2021- an accreditation to OxPay's status as one of the leading payment providers.



### Poised to benefit from positive operating leverage with its expansion plans

OxPay's strategy of direct merchant acquisition gives OxPay higher margins but also greater control over its merchants and the speed of on-boarding new merchants. Together with the introduction of more payment methods, the scaling up of usage by some of its clients, as well as complementary offerings from its DCEs segment, the Group saw a more than 7-fold increase in revenue to S\$17m in FY21. As a result of operating leverage, the Group turned in a profit recorded an adjusted net profit of S\$3.2m in FY21.



### Risks

Loss of key merchants and partners, downward pressure on margins as a result of competition, regulatory risks, economic downturn