



Customer Acquisition Cost Details (CAC)

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Executive Summary

This document outlines REMI's customer acquisition cost (CAC) framework across its first two years of operation, aligned with the financial model, go-to-market sequencing, and corridor expansion strategy.

REMI launches with Retail Remittance (UAE → Egypt & EU → Morocco) from day zero, followed by B2B Payroll (Oct 2026) and B2C Freelancer Payouts + B2B Payments (Jan 2027). Customer acquisition is therefore phased, capital-efficient, and volume-linked.

The financial model assumes:

- Retail CAC (Year 1 baseline): **USD 1.5 per acquired user**

USD 1.5 per user is lower than average market CAC due to a number of factors:

1. REMI's flow is generated from two channels via
 - a. Exchange houses
 - b. Direct to consumer

The majority of initial users acquired are via exchange houses such as LMSG (ie zero CAC).

Remi's direct to consumer CAC is lower than market due to the guerilla marketing approach being adopted, acquiring users due to the nature of the offering: instant and one-fifth the cost of current alternatives + incentives & word-of-mouth via influencers.

- Retail Retention for Remitty users (Year 1 baseline): **USD 0.5 per active user**
- Revenue growth: 162% MoM from 2nd month of operations, down to 20% by end of Year 1, 1% by end of Year 2.
- Gross margin: 90%
- COGS: 11-13%
- Churn: 5% monthly in Year 1 (normalizing to 1% in Year 2)

CAC strategy is structured to ensure:

- Retail LTV/CAC > 3x within steady-state cohorts
- B2B payback < 6 months via contractual revenue

- Channel mix shifts from paid digital to embedded and partner-led acquisition by Year 2

The acquisition model is volume-backed, corridor-focused, and capital-efficient.

1. Acquisition Strategy by Revenue Stream

REMI's acquisition model is stream-based, not generic user-growth driven.

1.1 Retail – Remittance (Launch: Day Zero)

Corridor: UAE → Egypt & EU → Morocco

Start: Month 1 (Apr 2026)

Baseline CAC (Financial Model): USD 1.5 per user

Acquisition Channels

- Paid social (TikTok, Instagram, Meta)
- Community ambassadors (expat clusters)
- Exchange-house referral partnerships
- Employer referrals
- On-ground corridor activation

Model Inputs (Year 1 Assumptions)

- Initial users: 3,000
- MoM growth: 162% MoM from 2nd month of operations, down to 20% by end of Year 1, 1% by end of Year 2.
- Monthly churn: 5% (early-stage volatility)
- Transactions per active user: 2.5
- REMI revenue share per transaction: 30%

CAC Implication

Retail CAC is front-loaded in Year 1 due to:

- Brand creation
- Corridor education
- Incentive subsidies

1.2 B2B – Payroll (Launch: Oct 2026)

Corridor: UAE → Egypt (Year 1), expands Year 2

Nature: Contract-based acquisition

Acquisition Structure

- Direct enterprise sales
- HR/payroll provider integrations
- SME corridor targeting
- Channel partnerships with exchange houses

CAC Structure

B2B CAC differs materially from Retail:

- Sales-led acquisition cost
- Legal and onboarding cost
- Integration cost

However, B2B delivers:

- Contracted volume
- Higher ARPU
- Lower churn
- Predictable flow

Expected B2B CAC payback period is materially shorter due to recurring payroll flows.

1.3 B2C – Freelancer Payouts (Launch: Jan 2027)

Corridor: UAE → Egypt (Year 2 expansion includes EU → Egypt)

Acquisition Strategy

- Platform integrations

- Marketplace partnerships
- Targeted freelancer community campaigns

Freelancer acquisition is hybrid:

- Individual onboarding
- Platform-level acquisition (lower blended CAC)

CAC expected to be lower than Retail once platform-level partnerships are activated.

2. CAC Calculation Framework

2.1 Retail CAC Formula

$CAC = (\text{Total Marketing Spend} + \text{Incentives} + \text{Referral Bonuses}) / \text{New Users Acquired}$

Included in CAC

- Paid media spend
- Influencer marketing
- Community activation costs
- Onboarding incentives
- Payment processing marketing costs

Excluded from CAC

- Fixed salaries (allocated to OPEX)
 - Infrastructure costs
 - Liquidity costs
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2.2 B2B CAC Formula

$CAC = (\text{Sales Salaries} + \text{Integration Costs} + \text{BD Expenses}) / \text{New Contracted Clients}$

Measured at account level, not per end-user.

3. LTV to CAC Analysis

3.1 Retail LTV Drivers

Retail LTV driven by:

- Transaction frequency
- Revenue share (30%)
- Cross-stream monetization (cards, yield, B2B adjacency in later phases)

With 90% gross margin and improving retention, steady-state cohorts are modeled to exceed 3x LTV/CAC.

3.2 B2B LTV Drivers

- Payroll recurrence
- Enterprise stickiness
- Embedded integration cost
- Corridor expansion

B2B contracts significantly reduce acquisition volatility.

4. Corridor Impact on CAC

Phase 1 (0–12 Months)

- Corridor: UAE → Egypt; EU → Morocco
- Focus: density over breadth
- CAC efficiency improves through corridor clustering

Phase 2 (12–24 Months)

- Corridors: UAE → Egypt, EU → Morocco, Egypt → UAE, EU → Egypt
- Channel reuse lowers marginal CAC
- Brand trust reduces paid acquisition dependency

Phase 3–4 Expansion

Send markets: UAE, Saudi Arabia, Kuwait, Qatar, EU, UK

Receive markets: Egypt, Morocco, India, Pakistan, Bangladesh, Nigeria, Kenya

CAC efficiency improves via:

- Network effects
 - Liquidity depth
 - Partner-led distribution
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5. KPI & Measurement Framework

Core CAC KPIs

- Blended CAC (Retail)
- Channel CAC (by source)
- CAC Payback Period
- LTV/CAC Ratio
- Churn by cohort
- Cost per funded user
- Cost per active transacting user

Efficiency Targets

- Retail LTV/CAC > 3x
 - CAC Payback < 9 months (Retail steady-state)
 - B2B Payback < 6 months
 - Organic acquisition > 35% by end of Year 2
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6. Risks & Mitigation

Risk 1: Early High Churn (Year 1)

Mitigation:

- Incentive design optimization
- Faster payout (<1 minute)
- Corridor pricing transparency

Risk 2: Paid Media Inflation

Mitigation:

- Community ambassadors
- Employer payroll integrations
- Exchange-house partnerships

Risk 3: Regulatory Friction in Expansion Corridors

Mitigation:

- Partner-license leverage
 - Technology-layer positioning
 - Phased activation
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7. Strategic Rationale

REMI's CAC model is:

- Corridor-first
- Stream-sequenced
- Margin-backed
- Liquidity-aligned

Retail builds initial liquidity density.

B2B accelerates predictable volume.

Freelancer and EU corridors improve capital velocity and CAC efficiency.

The acquisition strategy is aligned with the financial model, revenue phasing, and multi-corridor roadmap.

This approach supports scalable growth without structural marketing dependency, preserving margin expansion over time.