Market Research

IMPORTANT: STRICTLY CONFIDENTIAL

The materials, models, and strategic documents contained within this Digital Data Room are strictly confidential and proprietary to REMI Protocol and its associated entities.

By accessing this information, you acknowledge that it contains trade secrets, sensitive financial projections, and non-public strategic plans. You agree to maintain the absolute confidentiality of all information presented herein.

Terms of Access:

- **You may not share, copy, reproduce, or distribute any materials outside of your immediate organization.**
- **Access is granted solely for the purpose of evaluating a potential partnership or investment.**
- **Any unauthorized disclosure may result in severe legal consequences.**

Executive Summary

This document provides an institutional assessment of the global remittance market, stablecoin settlement growth, informal crypto-driven flows, and the infrastructure gap between traditional banking rails and blockchain-based value transfer. It aligns with REMI's phased corridor rollout and revenue model across Retail (Remittance), B2C (Freelancer Payouts), and B2B (Payroll and B2B Payments).

Key conclusions

- **Scale and resilience:** Global remittance flows exceed $800B annually and remain structurally resilient.
- **Cost:** Average global remittance costs remain materially above 6%.
- **Stablecoin settlement maturity:** Stablecoins have reached systemic settlement scale, processing trillions in annual transfer volume.
- **Informal flow leakage:** Informal crypto usage in emerging markets represents material off-balance-sheet value movement.
- **Regulatory readiness:** Regulatory frameworks in the UAE and EU are sufficiently mature to enable compliant blockchain-based infrastructure.
- **Infrastructure gap:** A missing layer persists between public blockchain settlement and regulated banking distribution.

Implication for REMI

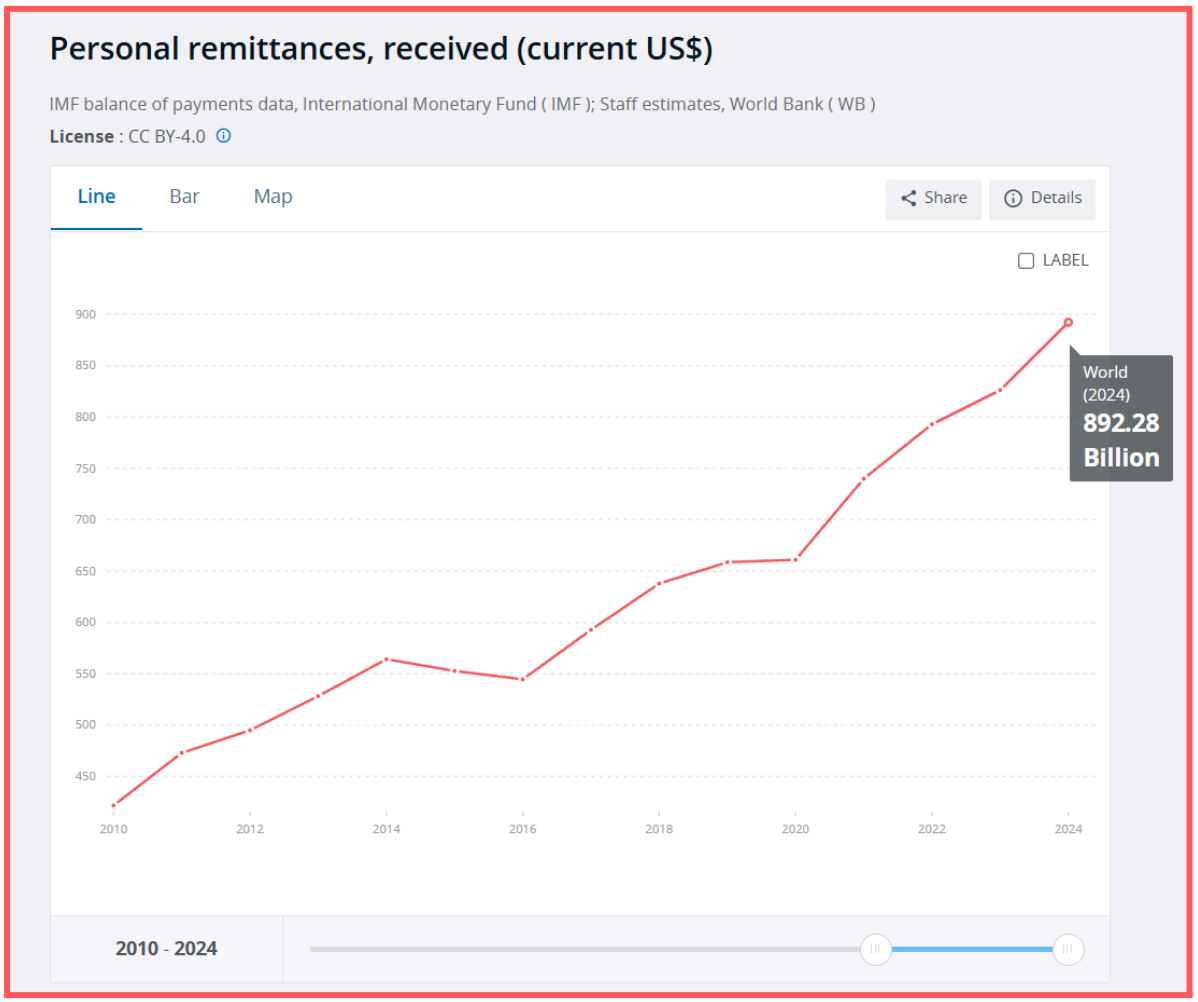
- REMI targets the infrastructure gap via a confidential, compliant, bank-integrated settlement layer.
- Initial wedge is **UAE → Egypt; EU → Morocco** , with expansion to **GCC, EU, UK, South Asia, and Africa** over a 48-month horizon.

---

1. Global Remittance Market Overview

1.1 Market size and growth

Global remittance flows exceed $800B annually and have demonstrated sustained growth over the past decade despite macroeconomic volatility.



Global remittance inflows, World Bank Data

Market characteristics

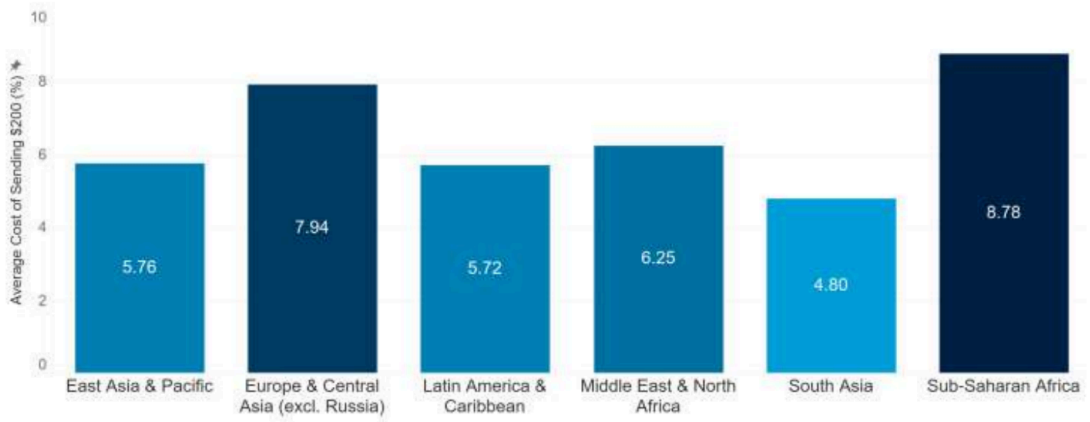
- **Recipient skew:** Emerging markets account for the majority of inflows.
- **Fees:** Average global remittance fees remain approximately **6–7%**.
- **Speed:** Traditional settlement times average **3–5 business days**.
- **Capital intensity:** Correspondent banking relies on **prefunding**, creating trapped liquidity.

Macro significance

Remittances support recipient economies through:

- Household consumption
- Foreign currency liquidity
- Counter-cyclical buffering and income smoothing
- GDP stability

Figure 11 Average costs by region of the world



Remittance Prices Worldwide - World Bank 2025

1.2 GCC outbound significance

The GCC represents one of the largest outbound remittance regions globally, driven by expatriate labor flows. The UAE is consistently ranked among the top global outbound remittance markets.

Strategic attributes

- High expatriate workforce concentration
- Advanced digital payments infrastructure
- Increasing regulatory clarity around digital assets
- Strong FX liquidity and banking depth

2. UAE → Egypt & EU → Morocco Corridor Deep Dive

2.1 Corridor importance

Egypt & Morocco rank among the top global remittance recipients. Annual inflows fluctuate within the $30B to $40B range. Remittances account for approximately 10% of GDP. The UAE is a primary sending corridor for Egypt.

2.2 Structural characteristics

Distribution mix

- **Send-side:** Exchange houses and agent networks dominate sending volume.
- **Bank channels:** Banks provide digital channels but typically have lower reach among certain labor segments.
- **Receive-side endpoints:** Egypt payouts are distributed across bank deposits, cash pickup, and increasingly mobile wallets.

Structural friction points

- FX spreads layered over explicit service fees
- Multi-hop correspondent banking reconciliation
- Prefunded liquidity accounts across institutions
- Manual compliance and reconciliation processes
- Cash-out dependency for underbanked recipients

Implication

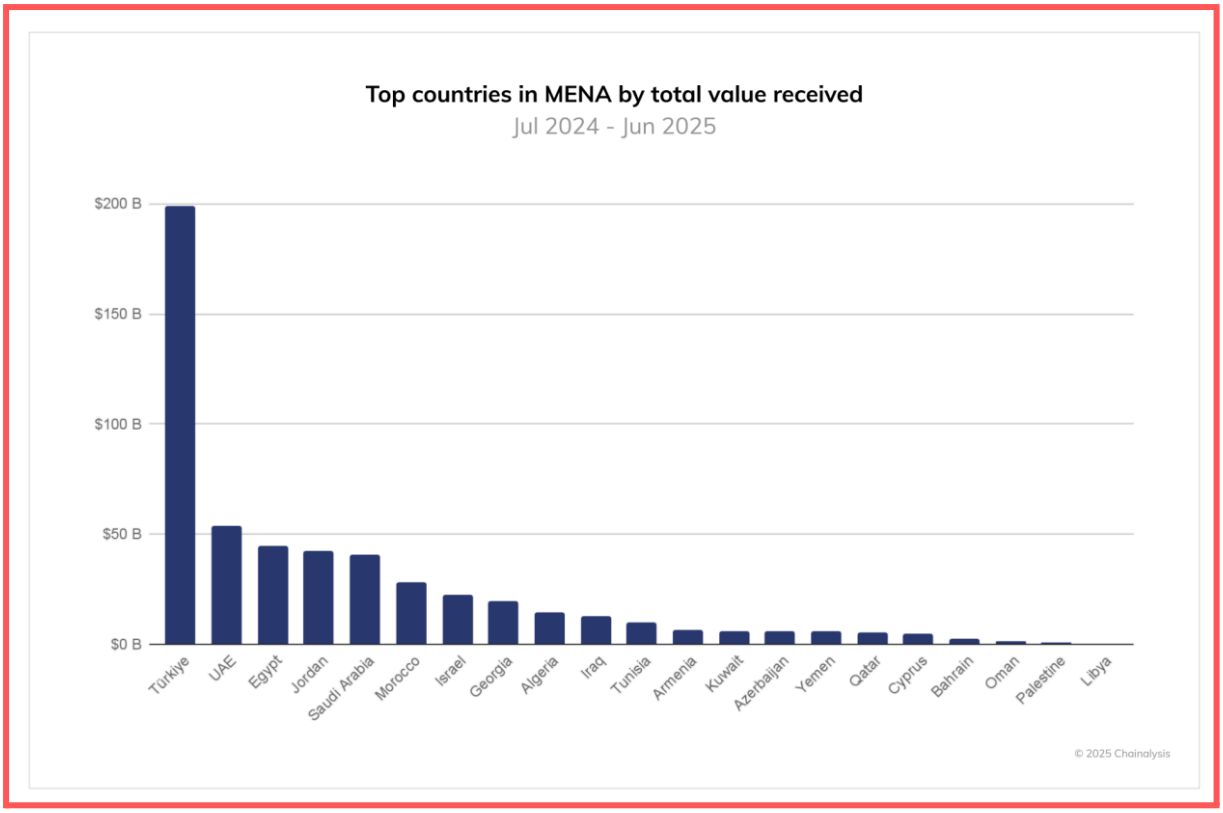
- These frictions create cost dispersion across providers and reduce capital efficiency.

3. Informal Crypto-Based Value Transfer

Emerging markets have experienced significant growth in crypto-based value movement. Stablecoins are increasingly used as digital dollar substitutes.

Observed market signals (Egypt and region)

- High retail crypto participation relative to income levels
- Material stablecoin share of transaction volume
- Informal peer-to-peer crypto settlement layered over remittance demand



Implications

- Underreported cross-border value flows
- Migration pressure toward faster settlement rails
- Compliance and monitoring blind spots outside regulated rails

Relevance to REMI

- This dynamic supports the case for compliant on-chain settlement infrastructure rather than purely informal crypto usage.

4. Stablecoin Market Analysis

4.1 Market scale

Global stablecoin market capitalization exceeds $130B–$150B and continues to expand. Annualized on-chain transfer volumes reach into the trillions.

Functional roles

- Cross-border settlement instruments
- USD access mechanisms in emerging markets
- Liquidity bridges between financial systems
- Treasury settlement tools

4.2 Limitations of public stablecoin rails

While stablecoins reduce settlement time and capital lock-up, they introduce institutional barriers:

- Public transaction transparency
- Wallet-level traceability
- Lack of built-in confidentiality controls
- Limited direct integration with regulated banking APIs
- Fragmented last-mile fiat conversion

Implication

- Stablecoins alone do not satisfy bank-grade compliance, privacy, and audit requirements.

---

5. Enterprise Adoption Signals

Major payment institutions and remittance operators have initiated blockchain or stablecoin-linked initiatives, indicating structural industry validation.

Strategic motivations

- Treasury efficiency
- Faster cross-border settlement
- Reduced prefunding exposure
- Lower intermediary fees
- Access to emerging markets with limited banking penetration

Gap that remains

- Incumbent initiatives do not yet deliver a unified confidential settlement protocol integrated end-to-end with regulated payout banks.

---

6. Regulatory Environment

6.1 UAE

The UAE has implemented payment and stored value frameworks under central bank oversight and established virtual asset regulatory regimes.

Characteristics

- Licensing pathways for payment service providers
- VASP licensing and operating requirements
- Regulatory engagement with digital asset firms
- Institutional banking depth

Implication

- The UAE provides a viable regulatory foundation for compliant blockchain settlement integration.

6.2 Egypt/Morocco

Egypt maintains conservative oversight of digital assets but has a mature domestic wallet ecosystem and increasing instant payment infrastructure.

Key attributes

- High wallet adoption growth
- Strong banking centralization
- FX sensitivity and macro controls

Implication

- Infrastructure must integrate with regulated financial institutions rather than operate parallel to them.

6.3 EU and UK

The EU's digital asset regulatory framework establishes requirements for stablecoin issuers and service providers. The UK has also moved toward formal stablecoin oversight.

Implication

- Regulatory clarity supports phased expansion under compliant structures.

---

7. Infrastructure Gap Analysis

Current ecosystem components

- **Banks:** Compliance, custody, fiat liquidity
- **Exchange houses and MTOs:** Distribution and payout reach
- **Stablecoin issuers:** On-chain liquidity
- **Blockchain networks:** Settlement rails
- **Wallet providers:** Consumer interface

Missing layer requirements

- Confidential transaction execution
- Selective regulatory auditability
- Bank-grade API integration
- Liquidity netting and capital efficiency
- Cross-border programmable compliance
- Structured revenue capture across retail and enterprise flows

Relevance to REMI

- REMI is positioned as the missing settlement layer.

8. Phased TAM Modeling

Phase 1: UAE → Egypt; EU → Morocco

Active revenue streams

- Retail: Remittance (starts day zero)

Addressable opportunity characteristics

- Multi-billion-dollar annual corridor volume
- High fee dispersion
- Large expatriate base

Modeling approach

- Scenario modeling at 1%, 3%, and 5% capture rates, consistent with the financial model trajectory.

Phase 2: Add Egypt outbound and EU inbound

Active revenue streams

- Retail: Remittance
- B2B: Payroll (starts Oct 2026)
- B2C: Freelancer Payouts (starts Jan 2027)
- B2B: B2B Payments (starts Jan 2027)

Implication

- This phase introduces bilateral corridor depth and enterprise flows, expanding volume per user and increasing average ticket sizes.

Phase 3: GCC depth expansion (24–36 months)

Send markets

- UAE
- Saudi Arabia
- Kuwait
- Qatar

Receive markets

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

Implication

- Corridor density increases liquidity netting efficiency and improves capital velocity.

Phase 4: GCC + EU + UK scale (36–48 months)

Send markets

- GCC (UAE, Saudi Arabia, Kuwait, Qatar)
- EU
- United Kingdom

Receive markets

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

Implication

- REMI transitions into a multi-corridor settlement backbone spanning major remittance flows.

---

9. Strategic Rationale

Why legacy rails remain structurally inefficient

- Correspondent banking layers
- Capital-intensive prefunding
- Multi-day settlement cycles
- FX opacity

Why stablecoins alone are insufficient

- Limited confidentiality
- Incomplete regulatory integration
- Missing bank-grade operational controls

What REMI combines

- Confidential transaction layer
- Regulated stablecoin backing
- Partner-bank integration
- Multi-stream monetization across retail and enterprise segments

Why UAE → Egypt; EU → Morocco is the entry wedge

- High corridor volume
- Clearer regulatory foundation
- Large expatriate demand
- Immediate monetization through remittance

Why phased expansion compounds

- Increased corridor density improves liquidity efficiency
- Netting effects strengthen unit economics
- Diversified streams reduce single-product exposure

KPIs and Measurement Framework

Operational KPIs

- Active users
- Transaction volume
- Average ticket size
- Revenue per transaction
- Gross margin
- Corridor liquidity efficiency

Enterprise KPIs

- Payroll volume processed
- B2B transaction throughput
- Partner bank integrations
- Liquidity netting ratio

Financial KPIs

- Monthly recurring revenue
- Gross profit margin
- EBITDA trajectory
- Cash flow sustainability

These KPIs align with the financial model trajectory and phased corridor rollout.

Risks and Mitigation

Regulatory risk

- **Risk:** Regulatory shifts or partner licensing constraints.
- **Mitigation:** Operate as a technology layer and route funds through licensed institutions.

Liquidity risk

- **Risk:** Corridor liquidity fragmentation and payout constraints.
- **Mitigation:** Phase rollout to build corridor density and improve netting economics.

Adoption risk

- **Risk:** Slower-than-modeled distribution uptake.
- **Mitigation:** Start with a high-demand corridor and expand into payroll and enterprise flows to raise LTV.

Competitive pricing pressure

- **Risk:** Price competition from exchange houses and bank products.
- **Mitigation:** Infrastructure positioning and partner-led distribution rather than pure consumer price competition.

Conclusion

The convergence of global remittance scale, stablecoin settlement maturity, regulatory clarification, and persistent corridor inefficiencies creates a structural opportunity for compliant blockchain-based settlement infrastructure.

REMI is positioned not as a consumer wallet alone, but as a confidential, compliant, bank-integrated settlement protocol capable of monetizing retail remittance, freelancer payouts, payroll, and B2B flows across phased corridor expansion.

This positioning aligns with market realities, regulatory direction, and the financial model trajectory embedded within the data room.