Investment Memorandum

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Agenda

Section I:
Industry Analysis on Global and SEA E-Commerce Landscape
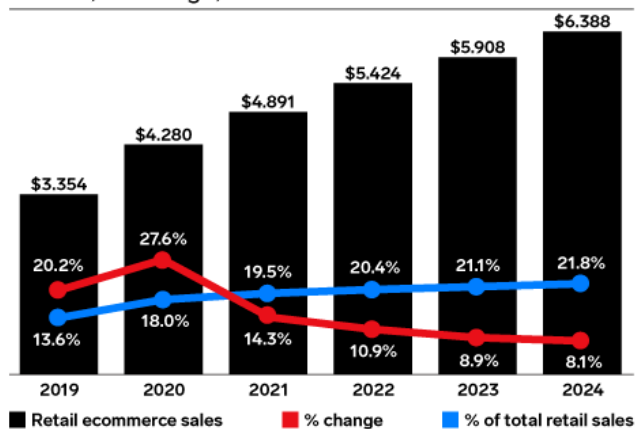
Global E-Commerce Landscape

Retail Ecommerce Sales Worldwide, 2019-2024
trillions, % change, and % of total retail sales

$3.354 — 2019 — 20.2% — 13.6%
$4.280 — 2020 — 27.6% — 18.0%
$4.891 — 2021 — 19.5% — 14.3%
$5.424 — 2022 — 20.4% — 10.9%
$5.908 — 2023 — 21.1% — 8.9%
$6.388 — 2024 — 21.8% — 8.1%

■ Retail ecommerce sales   ■ % change   ■ % of total retail sales

Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, Dec 2020

261834   eMarketer | InsiderIntelligence.com

Source: eMarketer

Figure 1 shows that Retail Ecommerce Sales is accelerating

The Global E-Commerce industry is booming and is not expected to slow down anytime soon.

The retail E-Commerce market totalled *$4.28 trillion* in sales in 2020, and is expected to continue growing at a CAGR of *6.29%*

As internet penetration rates continue to rise, the number of digital consumers continues to expand
In 2016, *58.3%* of global internet users had purchased products online. This number is expected to surpass *65%* in 2021 (Statista).

E-Commerce is revolutionising the way buyers consume
An increasing number of consumers are choosing to purchase products online instead of patronising physical stores. E-commerce made up *13.6%* of retail sales in 2019, and this figure is expected to grow to *21.8%* by 2024 (eMarketer).

SEA E-Commerce Landscape

Rising middle class provides opportunities for growth

The percentage of people in the region categorized as middle-class is expected to more than double from *24%* today to *51%* in 2030. As consumer affluence grows, consumptions are likely to increase.

Covid-19 accelerated the trend of digital consumption in SEA

On average across SEA, *1 in 3 (~36%)* of all digital service consumers are new to the service due to COVID-19. This new digital acceleration is sticky: *94%* of new digital service consumers intend to continue with the service post-pandemic.

Source: Bain

Omnichannel Delivery & Engagement is a Priority

There is a widespread eagerness of Southeast Asian firms to implement an omnichannel approach, with 52% of them stating omnichannel delivery and engagement as a key priority.
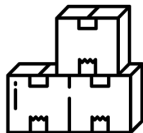
Source: Campaign Asia

Within the SEA Landscape, there is great room for growth opportunities.

E-Commerce Software Application Market

Complicated Operations

Stock Management

Lack of Understanding of Traffic

For E-Commerce companies whose operations are based primarily online, having software solutions to support their operations become crucial for them **as they expand their business to become omnichannel** and **increase their consumer base**. Inventory management, marketing campaign management and customer relationship management tools are some of the value-adds that software solutions companies can offer.

The global E-Commerce Software Application industry brought in *USD$6.04bil* in revenues in 2019, and this number is expected to grow to *USD$7.33bil* in 2024.
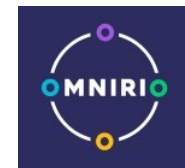
Avg CAGR 3.9%

Year	Revenue
2019	6,041
2020*	6,283
2021*	6,534
2022*	6,795
2023*	7,067
2024*	7,333

Source: Statista

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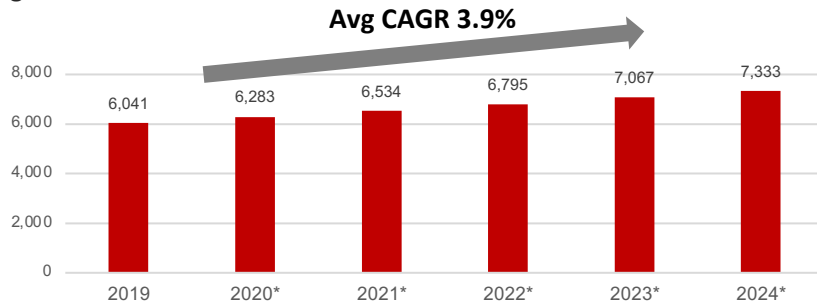
Figure 2 shows that Global E-commerce Software Application Revenues is increasing

Market Sizing
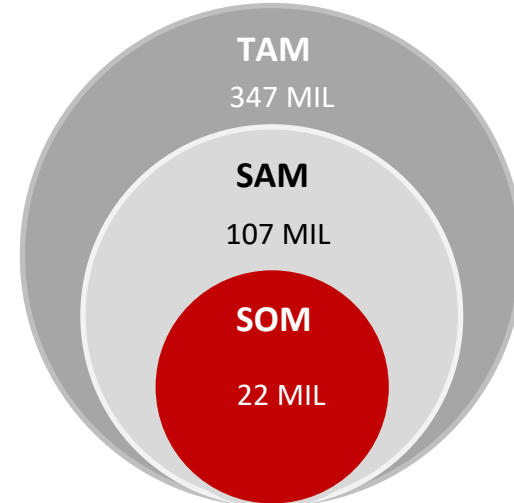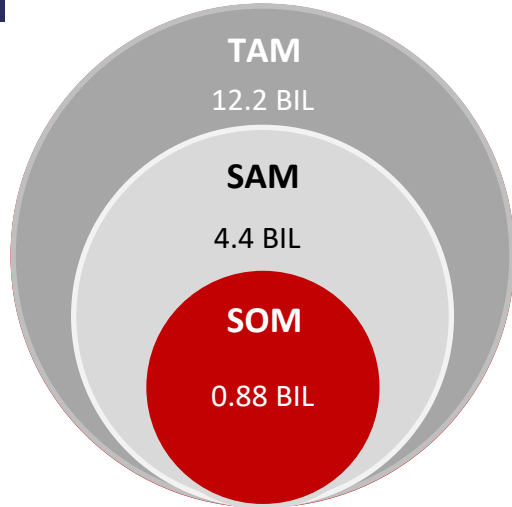
Omnirio's Serviceable Obtainable market is 40x that of Prosperna's
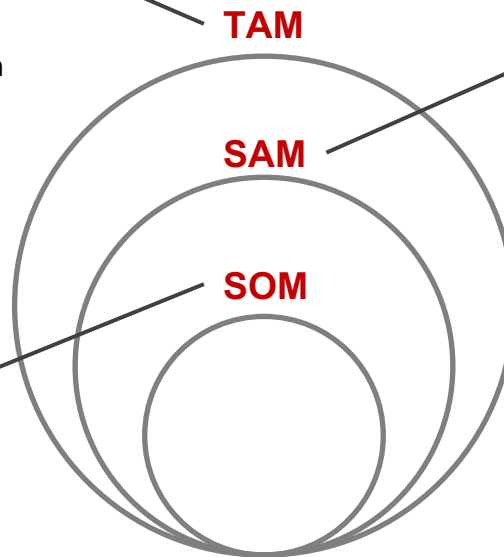
Omnirio Market Sizing

Total Addressable Market

Number of Business in Philippines, India, Singapore, USA = *35.1mil*
Avg price of eCommerce software subscription = *USD$29 per month*

TAM = 35.1mil x USD$29 x 12 months
          = *USD$12.2bil*

TAM

SAM

SOM

Serviceable Addressable Market

Percentage of Businesses in target markets that would consider using this service = *35%*
Avg price of Omnirio's software subscription = *USD$30 per month*

SAM = 35% x 35.1mil x USD$30 x 12 months
          = *USD$4.42bil*

Serviceable Obtainable Market

Win Rate = 20%

SOM = 20% x SAM
          = *USD$884mil*

Prosperna Market Sizing

Total Addressable Market
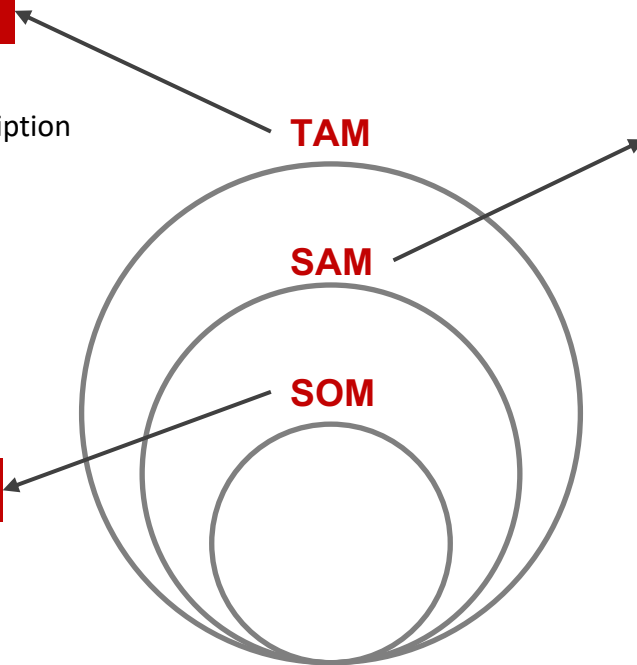
Number of MSMEs in Philippines = *998k*
Avg price of eCommerce software subscription
= *USD$29 per month*

TAM = 998k x USD$29 x 12 months
     = *USD$347.3mil*

TAM

SAM

SOM

Serviceable Addressable Market

Percentage of MSMEs in Philippines that
would consider using this service = *45%*
Avg price of Prosperna's software
subscription = *USD$20 per month*

SAM = 45% x 998k x USD$20 x 12 months
     = *USD$107.8mil*

Serviceable Obtainable Market

Win Rate = *20%*

SOM = 20% x SAM
     = *USD$21.6mil*

Section II:
Company Analysis on Omnirio and Prosperna Competitor Analysis for E-Commerce Enablers

| Section I | **Section II** | Section III | Section IV | Section V | Section VI |

Company Overview

Business description	A SaaS solution that allows retailers to develop omnichannel businesses	A SaaS platform for MSMEs to build online stores
Revenue Model	Subscription model	Freemium model
Unique Value Proposition	• Emphasis on omnichannel integration • Unique product features tailored for SEA E-Commerce	• Hyperlocalised product offering for Philippines • Strong customer engagement with active sales support
Target Market	Philippines, India, Singapore, US	Philippines
Number of users	1500+ stores (Multinational retailers and SMEs)	Information Unavailable
Funding Stage	N/A	Seed funding: USD $555k Backed by Foxmont Capital Partners
Location	Singapore	Philippines

Overview of Competitors within SEA

	Haravan	Anchanto	SiteGiant	Sirclo	SCI ECommerce	aCommerce
Location	Vietnam	APAC	Malaysia	Indonesia	APAC	Thailand
Value Propositions	• Omnichannel SaaS solution targeted at SMEs in Vietnam	• Omnichannel SaaS solution targeted at SMEs; • Logistics management for enterprises	• Omnichannel SaaS solution targeted at SMEs in Malaysia	• Omnichannel SaaS solution • Webstore builder for SMEs and enterprises	• Help brands penetrate the SEA and China e-commerce markets	• Help brands manage all aspects of their SEA e-commerce business
Features / Services	• Website Builder • Omnichannel Sales • Marketing integrations • Payment integrations • Shipping integrations	• Multichannel ecommerce • Marketing integrations • Shipping integrations • Accounting integrations	• Multichannel ecommerce • Marketplace Sync • Social Commerce • Webstore • Payments • Accounting Integrations	• Website builder • Multichannel ecommerce • Marketing and shipping integrations • E-commerce consulting	• Sales • Digital Marketing • Content Creation • Customer Service • Order Fulfillment	• Ecommerce Consulting • Webstore Development • Brand Store Operations • Customer Service
Target Consumers	• SMEs looking into omnichannel e-commerce	• SMEs/Enterprises looking into omnichannel e-commerce	• SMEs looking into omnichannel e-commerce	• SMEs looking into omnichannel e-commerce	• Enterprises looking for professional e-commerce service provider	• Enterprises looking for professional e-commerce service provider
Pricing per month (basic plan)	• USD13	• B2B quote	• USD13	• USD16	• B2B quote	• B2B quote
Funding	• $50k funding by Google Launchpad Accelerator	• US$27.2 million funding by 9 investors	• Undisclosed investment by Commerce.Asia	• US$56.1 million funding by 6 investors	• US$88 million investment by EBDI & Asia Partners	• US$118.8 million funding by 16 investors
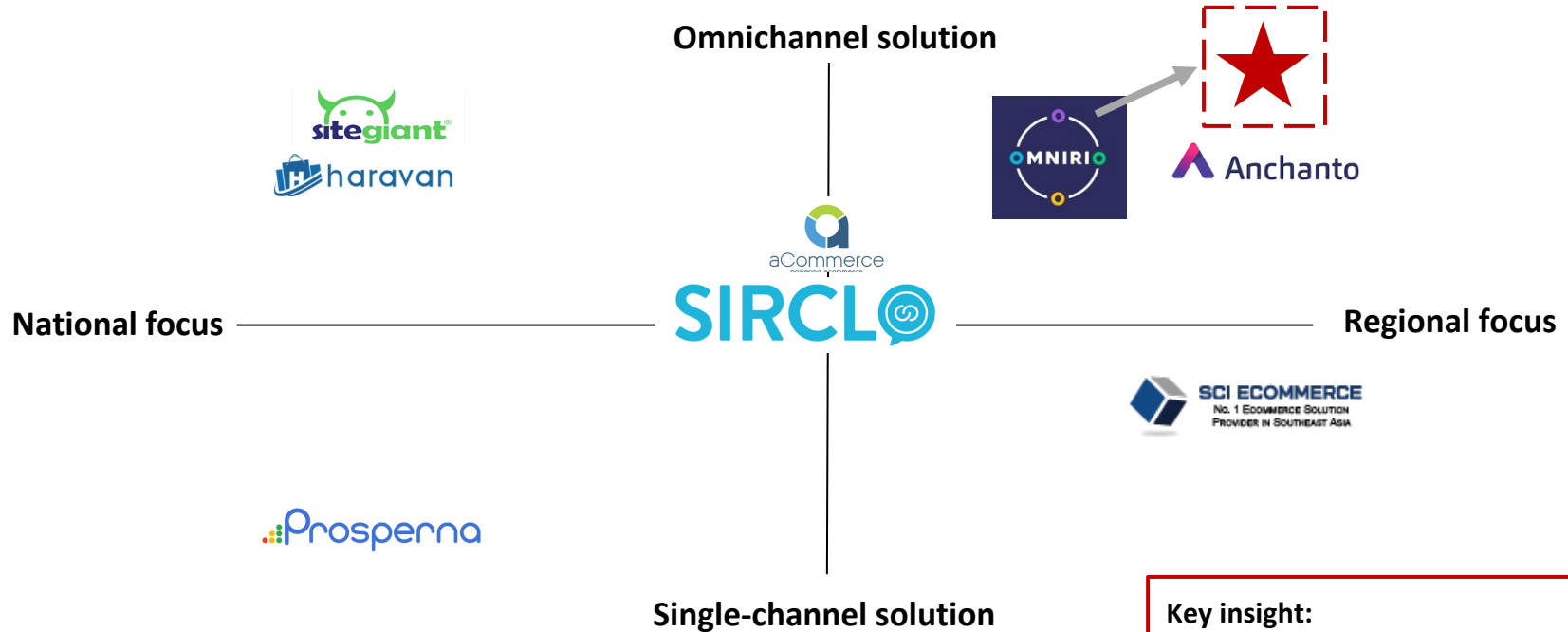
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Competitor Analysis

Section III:
Investment Thesis and Recommendation

Investment Thesis

Market Potential

SEA E-Commerce software application market is growing and has yet to reach its potential
- Both companies aim to empower SMEs or retailers to create or optimize their E-commerce businesses.
- Given that the E-commerce market is still booming, software application market will likely benefit from it by enhancing the experiences of E-commerce owners.

Omnirio has a more ambitious market potential and a business model that is easier to scale.

Product-Market Fit

Both companies have different product focus and target audience
- However, both companies offers different suite of products and services, with little overlapping.
- Prosperna focuses on online-store building for Philippines; whereas Omnirio aims to build a powerful omnichannel integration for SMEs who already have multiple sales channels.

Omnirio has a more complete solution. It solves one of the most important pain points for SMEs in the e-commerce space with its omnichannel solution.

Management Team

The strength of management team is crucial for the development and growth of start-ups.
- Both companies have management teams that are experienced in the SaaS/E-commerce industry.

Omnirio has a stronger and leadership team with more e-commerce experience. Omnirio also has a more well-rounded team across different disciplines.

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Investment Thesis I (Market Potential)

Prosperna	Omnirio

Target Market
- Philippines SMEs (niche)
- Target: onboard 100k clients

Unable to fully leverage on SEA's SME boom

- SEA SMEs
- Target: expansion of products into SEA

Omnirio can **fully leverage** on SEA's SME boom

Scalability
- Harder to scale due to its on-the-ground nature.
- Difficult to maintain its tight relationship with clients as it scales

- Easier to scale due to Omnirio's focus on primarily being a SaaS solution provider

Business Model
- Prosperna has a freemium model which allows great initial capture of the market

- Could be seen as an SME-focused adaptation of Anchanto's business model

Similarity

Both Prosperna and Omnirio have crafted their own niche by focusing on being an e-commerce enabler for SMEs in SEA

Conclusion: Omnirio has a more ambitious market potential, and a business model easier to scale.

Investment Thesis II (Product-Market Fit)

	Prosperna	Omnirio
Product	• Online-store builder – Philippines' "Shopify"	• Omnichannel solution provider
Integrations	• Full suite integrations (4) for aspiring e-commerce owners • Despite having well-chosen integrations to suit the Philippines market, the choice of integrations limits the product-market fit.	• Wide choice of integrations (17) including POS system, warehouse management etc.
UVP	• Online store builders are rather common, but it is personalised to the Philippines e-commerce market, with strong consumer engagement as their focus.	• Unique product and services consisting omnichannel solution to allow sellers consolidate orders and data from multiple sales channels into one

Conclusion: Omnirio has a more complete solution, and solves one of the main challenges for SMEs in the omnichannel market.

Investment Thesis III (Founding Team)

Prosperna

CEO: Dennis Velasco

Experience:
- Current CEO of Xtendly (Digital Marketing)
- Ex- VP Sales of Xero (B2B Accounting SaaS)

Omnirio

CEO: Archit Anand

Experience:
- Ex- Country Head (PH), Anchanto

CTO: Abhijeet Ghude

Experience:
- Ex-Software Development Manager (IN), Anchanto

While boasting an impressive history, CEO of Prosperna Dennis Velasco's prior experiences lay in sectors beyond e-commerce, such as digital marketing and B2B accounting SaaS.

Omnirio's founding team have had years of experience working in Anchanto, an e-commerce enabler offering omnichannel e-commerce SaaS (direct competitor of Omnirio).

Omnirio's founding team have experiences with product development, which allows them to have a greater understanding of SaaS solution.

Omnirio has a stronger founding team:

1. Greater number of years in E-commerce industry,
2. Experiences across different disciplines

Section IV:
Exit Strategy for Omnirio

Exit Strategy for Omnirio

- Given relatively early stage of company, current exit strategy is still not set in stone.
- This will depend on the development of the e-commerce industry and the company's likely position in the market in the years to come.
- IPO exit if Omnirio dominates SEA region. Acquisition exit if bigger company wants to enter SEA market.

IPO Comparables

Shopify IPO
10x trailing year sales for IPO price.

SEA Ltd IPO
Traded at 6x sales for IPO.

BigCommerce IPO
IPO price at 11.5x sales

IPO exit expected to be approx. 9.2x sales

Acquisition Comparables

Alibaba acquires Lazada
Acquired at approx 2x GMV

Walmart acquires FlipKart
Acquired at 5x sales.

Amazon acquires Selz
Undisclosed amount.

Sirclo acquires Orami
Undisclosed amount.

Acquisition exit approx. 4x sales

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Section V:
Value Creation Strategies for Omnirio

Value Creation Strategies for Omnirio

Solidification of Regional Operations

Increasing number of regional partnerships to offer a greater suite of local services and platforms that can be integrated
- Omnirio's scope of functions available for integration are not consistently comprehensive across different countries. For example, several functions are not available for use under Omnirio SG, and number of partners available are limited.
- Expanding the number of partners with platforms that can be integrated into the Omnirio ecosystem, along with providing the same suite of services across geographical boundaries, would attract potential customers.

End result: Development of Omnirio into a comprehensive multichannel e-commerce service provider.

Provision of E-Commerce Consulting Services

Provision of e-commerce consulting services to establish a one-stop solution for entities looking to enter the e-commerce space
- Omnirio could increase their scope of services to provide e-commerce consulting.
- For companies that approach Omnirio to get started in the e-commerce space but have no strategy, the consulting arm of Omnirio could potentially assist them and leverage on Omnirio's products to develop a comprehensive strategy for the client.

End result: Development of Omnirio into a more comprehensive service provider, with an additional revenue stream.

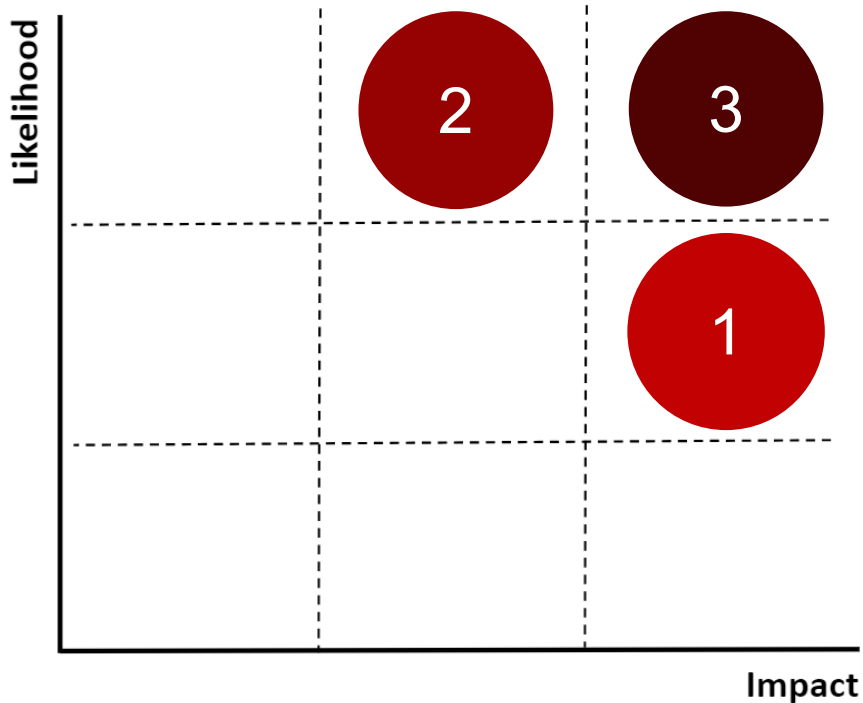# Section VI:
Risks and Mitigations Identified

Section I	Section II	Section III	Section IV	Section V	**Section VI**

Risk and Mitigation

Likelihood / **Impact** scatter chart showing bubbles labeled 2, 3, and 1

Risk Identified	Mitigants
1 Competition and ease of duplicity of technology	Development of unique features and deepen engagement for greater customer retention
2 Absence of publicly-declared funding and financial information of company	To engage Omnirio founding team for more information as part of decision-making process regarding investment
3 Relatively weak marketing strategies and customer engagement may limit outreach efforts	To propose sustained outreach and engagement efforts catered to target market of SMEs using physical means and social media