



CORPORATE PARTICIPANTS

Jon Cunningham, *Moderator*

Harold Montgomery, *Chairman and Chief Executive Officer*

Scott Arey, *Chief Financial Officer*

PRESENTATION

Operator:

Good day, and welcome to the MoneyOnMobile Incorporated Q2 2017 Earnings Call. Today's conference is being recorded. At this time, I would like to turn the conference over to Mr. Jon Cunningham. Please go ahead, sir.

Jon Cunningham:

Thank you, and thank you, everyone, for joining us for the MoneyOnMobile earnings call covering second quarter fiscal year 2017, which closed on September 30, 2016. You can find the presentation for today's call at <http://public.viavid.com/index.php?id=121990>. One more time, that's <http://public.viavid.com/index.php?id=121990>. At the end of this call, we will be opening up to general questions-and-answers. To submit a question, please enter it into the question box on the web link and I'll read it so that those not able to see this on the Web can hear it.

Now, to the Safe Harbor provision. This presentation contains forward-looking statements for purposes for the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. With the exception of historic information, the matters discussed in this presentation are forward-looking statements that involve a number of risks and uncertainties. The actual future results of MoneyOnMobile, Incorporated could differ significantly from those statements. Factors that could cause actual results to differ materially include risks and uncertainties, such as the inability to finance the Company's operations, inability to hire and retain qualified personnel, and changes in economic climate, as well as the risk factors disclosed on MoneyOnMobile, Incorporated's Form 10-Q filed on November 14, 2016.

MoneyOnMobile, Incorporated may, in some cases, use terms such as anticipates, continues, estimates, predicts, believes, potential, proposed, expects, plans, intends, may, could, should, might, will, or other

words that convey uncertainty of future events or outcomes to identify these forward-looking statements. These statements are only predictions. Although we believe the expectations reflected in the forward-looking statements are reasonable, such statements should not be regarded as a representation by MoneyOnMobile, Incorporated or any other person that such forward-looking statements will be achieved. MoneyOnMobile undertakes no duty to update any of the forward-looking statements, whether as a result of new information, future events, or otherwise.

In light of the foregoing, you are cautioned not to place undue reliance on such forward-looking statements. This presentation does not constitute an offer to sell or a solicitation, offers to buy any securities of any entity.

It's now my pleasure to introduce MoneyOnMobile's Chairman and CEO, Harold Montgomery. Harold, please go ahead.

Harold Montgomery:

Thanks, Jon. Good morning to you, and good morning to all of our listeners and shareholders, and thanks for joining us today. This is Harold Montgomery, I'm the Chairman and CEO on MoneyOnMobile, Inc., and welcome to MoneyOnMobile, Inc.'s earnings call which accompanies the release of our 10-Q report for the quarter ended September 30, 2016. I'm in London today, enroute to the US from a trip to India where I met with the Ministry of Finance Officials and worked with our Leadership Team from around the country to coordinate our response to the recent currency demonetization order from the government. I'll have more to say about that later in the call. Also joining me today from Dallas, Texas Headquarters is Scott Arey, our Chief Financial Officer who will be speaking later.

Before we focus on the financials, I'd first like to cover a few points of business update, including an operational update and a few highlights for you. First of all, the name change; you may have seen in our recent press releases, we have officially finally changed our name and ticker symbol from CLPI to MONT, that's MoneyOnMobile Transactions. Again, thank you for those on the phone, I want to thank you for your support in voting for the transition of the Company from Calpian, Inc., to MoneyOnMobile, Inc. Thank you for your support of the name change.

We've also recently launched an updated version of our website which you can find at www.moneyonmobile.in; that's www.moneyonmobile.in. The .in domain name is the designation for India. For the benefit of shareholders who may be new to our Company, MoneyOnMobile is a mobile money system catering to India's vast unbanked and under-banked populations with simple transaction services. MoneyOnMobile allows consumers to deposit cash with one of our agents, a typical neighborhood store, for example; their cash deposits become digital currency in our computerized records just as if the consumer had made a deposit in a bank. Then, the consumer or the agent acting on behalf of the consumer can perform financial transactions such bill payment or money transfer using only the mobile phone and SMS text messages. We can work on any mobile phone platform.

The system is more reliable, cheaper, and much easier than transacting in all cash. The Indian market is the largest unbanked or under-banked market population in the world, with approximately 600 million to 800 million individuals in that group. We've grown to be India's largest mobile money system. As of the end of September 30, 2016, we have served over 188 million cumulative mobile phone users. We now have over 325,000 participating agents where consumers can load their cash, and over the last 12 months we've processed over US\$855 million worth of transactions.

On the next Slide you can see MoneyOnMobile offers a wide variety of payment solutions, including domestic remittance, which is person-to-person transfers, bill payment, prepaid mobile top-up time, satellite TV, which is also prepaid in India, and a variety of other services including ticketing. We can also sell tickets to movies and travel and we're beginning to buy the eCommerce and even insurance payment solutions.

You may have read about Prime Minister Modi's announcement earlier last week regarding the demonetization of the 500 rupee and 1000 rupee banknotes currently in circulation. The Prime Minister declared that all banknotes of these denominations will be invalid after December 30, 2016, and will need to be exchanged for newly printed notes at a bank. As the shareholders probably know, India's economy runs on cash, with an estimated 90%-plus of all the transactions occurring in cash, even for large purchases such as cars or jewelry, even real estate. Money held by individuals received through off the record transactions including bribes or other non-tax payments is known as black money in India, and has been a scourge of the legitimate economy for decades and by invalidating illicit cash stored in homes and offices, the government has taken a both bold and sweeping step towards eradicating black money in its main sources, bribery and corruption.

India also has a substantial counterfeit problem which this move will reduce and possibly even eliminate. Old notes are being replaced with new 500 rupee, and now a new denomination, 2000 Indian rupee notes, as you can see here on this Slide. As you can imagine, the Indian citizens were keen to exchange their old notes for new ones and while I was in Mumbai, I witnessed some extraordinary bank lines at most locations and ATMs. Here's a few pictures of what I saw in Mumbai last week after the announcement. We believe that this currency exchange experience will boost awareness of and adoption of digital payment systems such as MoneyOnMobile in the longer term.

During my trip, I met with Officials of the Ministry of Finance in Delhi to discuss ways in which MoneyOnMobile can cooperate with the government in their drive to digitize cash in India, which obviously is now in full-swing. These discussions are of course preliminary, but there clearly are ways in which we can play a role in these efforts, all of which take some time to realize. I can say, however, without hesitation that the government is keenly interested in the digitization of cash and the Officials I spoke with view MoneyOnMobile as a helpful actor in their comprehensive vision of the future. MoneyOnMobile is proud to be working with the Indian government in its attempt to digitize payments across India and to help to fight corruption and counterfeiting, as well as to assist everyday Indian citizens in their transition to digital money.

Here are some examples of MoneyOnMobile in action. Here is a picture of the digital receipt confirming a domestic remittance transaction for 1,500 Indian rupees. This SMS-based receipt replaces the paper-based receipt that you or I might receive from a typical credit card transaction. It provides the consumer with confidence that the agent's transaction has been successfully performed.

On the next Slide, you can see a picture I took with Ranjeet Oak, our President, when we visited a place called Arunachal Pradesh. This is one of our 325,000 agents, and you can see the agent taking in cash for a domestic remittance transaction through the hole in the wall there.

For those of you on our last two earnings calls, you may remember that we announced our partnership with the Kalighat Society for Development Facilitation and I'd like to give you an operational update on it. But before I do, for those of you who were not on the previous call, a refresher; the Kalighat Society is a non-governmental organization and headquartered in Kolkata India, working with approximately 75,000 female ambassadors who are involved in financial education, and creating income opportunities for women in under-served areas of states like Bihar, Jharkhand, Bengal, which are some of India's poorest states.

As a follow-up to our last call, we now have over 85,000 of the 75,000 women trained and many of them are already transacting in our payment network. This group is now depositing over 80,000 rupees a day and growing; this is just the beginning of what I think will unfold with Kalighat. You can think of these new agents as independent business women, earning their own income based on providing MoneyOnMobile services to friends, neighbors, and relatives. We're very proud of this relationship and excited about its rollout over the course of the next year, it sits very nicely with our corporate objective of doing well by doing good. But I want to assure you that this a commercially successful relationship for MoneyOnMobile.

On the next Slide, just to review the Management Team both in India and the United States, which cumulatively has over 60 years of payments experience. I'm very happy with the Team's performance and continue to look to add to our Team in India.

Now, I'd like to turn it over to Scott Arey, our Chief Financial Officer, to present the financial results for the quarter ending September 30, 2016. Scott?

Scott Arey:

Thanks, Harold. Harold, I know you're in London. During your comments it was a little bit difficult to hear you at times so if you're able to make the adjustments while I'm going through these Slides, you might try and do that. I think most people were able to get what you were saying, just a little bit difficult to hear. I'm going to present a financial overview and talk about the trends and processing volume revenue in the gross margin comparing Q2 2017 to Q2 2016.

We go to Slide 14, which I think we're on now, comparing the second quarter 2016 to that of 2017. Net revenue was US\$1.08 million for the second quarter 2017, compared to US\$1.44 million for the prior year, down 25% in US dollars as we report them. On a currency neutral basis, our revenue declined 22% for the first fiscal quarter of 2017, the quarter ended June 30, 2016.

The decline in revenue represents a significant retooling of our business, focused away from lower margin products, and towards higher margin products that will help us drive the Company to be cash flow positive. You can see that while revenue is down, cost of goods sold is also down significantly, declining from US\$770,000 to US\$490,000 which represents a 35% decrease on an as-reported basis, and a 33% decrease on a currency neutral basis.

While our gross profit was down in absolute dollar terms, we show a 7.3% increase in our reported gross margin, from 46.9% in Q2 fiscal year 2016, to 54.2% for our most recent quarter. If you look two years back, we reported a gross margin percent of 37.9% in Q2 of fiscal year 2015, so this is really a very positive trend. Our strong commitment to improving the gross margin, while having a negative impact on revenue in the current quarter, we believe will pay-off in the quarters to follow.

For those not previously on the call, when I speak about results on a currency neutral basis, I'm calculating impacts in local currency, the Indian rupee, without doing any foreign currency adjustment or translation. By doing so, I remove any currency fluctuations between the US dollar and the Indian rupee when looking at the percentages. It should be noted, that while the Company continues to post operating losses as we build this business, operating expenses in India were flat this quarter compared to the prior quarter, and down 15% for the first six months of fiscal 2017, compared to the first six months of fiscal 2016.

When you go to Slide 15 now, let's take a look at our process volume trend over the past nine quarters. If we look at the second quarter 2016 and compare it to the second quarter of fiscal year 2017, our processing volume declined by 10% quarter-over-quarter. Our main growth driver in processing volume in prior quarters has been domestic remittances, this product requires cash collateralization, and the Company has been operating in a capital constrained environment. However, we believe that our retooling of the business model will result in an operation that will allow us to replicate prior quarters' growth, at higher margins, on a flat expense base, with lower cash collateral requirements.

Moving now to Slide 16; you look at this Slide, it's a quarterly snapshot of our revenues as reported in US dollars. As previously mentioned, we had a 25% decrease in Q2 2017 over Q2 2016, and the reasons for this decline are the same as those previously mentioned with processed volume. I refer to processed volume because we released statistics on processed volume monthly, and while they are never audited and are only an indicator of revenue, we feel investors can look at this as an indicator of the measure of our progress in between our quarterly reports.

Going to Slide 17, finally, if we look at the last nine quarters of gross margin, we see a positive trend of margin improvement on an absolute dollar basis, and on a gross margin percentage basis. The Company posted a 54% margin for this quarter, which is about seven points over the year prior, largely reflected, again, by the diversification of products, particularly shifts into money transfer. While the overall trend is very positive, Q4 2016 shows a blip that represents an annual audit adjustment made by our local Indian auditors, reviewed and approved by our US auditors in our 2016 10-K. In the last two quarters, we have been following the guidelines the auditors set with that adjustment, so we do not expect that we will have any similar adjustment in the coming Q4 of the current fiscal year.

As previously mentioned, the Company is still in an operating loss position. The comprehensive operating loss which we reported on our 10-Q is US\$2.3 million for the quarter ending September 30, 2016, as compared to US\$6.1 million for the same quarter one year ago. The operating loss in India only on an unadjusted basis, not accounting for non-controlling interest, was \$950,000 for the current quarter, as compared to a million for the same quarter last year.

Now, I'll hand it back to Harold who will talk about what's coming up next. Harold?

Harold Montgomery:

Thanks, Scott. Looking ahead, we continue to see very strong growth opportunities in the Indian market, and we continue to move forward with that plan that we've had all along, along three lines: increasing our store count footprint throughout India, our longer term intent is to have one million locations throughout the country, and eventually be within about a quarter of a mile or roughly 400 meters of 80% of the Indian population. We intend to go both broad throughout the country and deeper into metropolitan areas with high-traffic zones. We've been experimenting with some branded locations with good results and look forward to increasing the scope of that program in particular.

Number two: we're going to increase the frequency of use by our customers. We've seen that customers who use MoneyOnMobile tend to use it more as they see more services emerge; increasing the frequency of use will be a key driver of growth. Third, increasing our offerings by increasing the share of high-margin transactions in line with what Scott was talking about; domestic remittances are higher-margin and higher-ticket transactions for us and we plan to move more in the direction of higher-margin transactions as the Company continues to grow.

The combination of these trends and the nature of the market in India make a promising growth path for MoneyOnMobile overall in the longer-term. If you'd like more details about some of the things we're doing including the digital locker initiative that I mentioned in our last call, the Kalighat Society, the views of our staff and Board members about the future and practice of MoneyOnMobile, please take a moment to visit our website at investors.moneyonmobile.in for a series of videos. You can also sign up for a monthly email in which we highlight other changes in the business.

This is the end of our formal presentation. I'd now like to hand it back to Jon Cunningham for the question-and-answer portion of the call.

Jon Cunningham:

Thank you, Harold. Our first question is about the decline in processing volume and revenue. What was the main cause of this?

Harold Montgomery:

Well, I think investors know by now that the business, and especially this is true for domestic remittance, is a capital intensive endeavor, it requires capital to grow the processing volume trend and invest the revenue overall. We have been for some time, this year in particular, operating in a capital constrained environment

so we decided to divert cash resources from other transactions into those that generate the highest return. While that hurts processing volume and therefore revenue, but it has helped our gross margin as Scott mentioned during his Slides.

Jon Cunningham:

Okay, our second question is regarding financing. Can you give us more details about the current status on the fund raising?

Harold Montgomery:

Yes, as MoneyOnMobile's grown and become more visible and prominent and more attention has been met—or given to India, generally, there's been a growing interest. We're working with several investor groups to raise the sufficient capital to meet the demand for our services. I will say the Prime Minister's recent move has definitely heightened attention around digital payments in India and I think will be a helpful catalyst in our visibility as we go forward. Unfortunately, these discussions are not something I can publicly disclose except to say that we are working on it.

Jon Cunningham:

Okay. Let's see, the third question—let's roll a couple of these all together, it's regarding the rupee. What else can you tell us about the recent changes in the 500 rupee and 2000 Indian rupee notes? How will that affect the business, and will taking large bills out of circulation help you immediately or will it take several quarters to show up in your results?

Harold Montgomery:

Well, I think there's a short-term and a long-term answer here. From a short-term, immediate perspective, the rush by consumers to change their old notes for the new design has caused long lines to form at banks and post offices, as I showed you earlier. Initially, this created a rush into digital payment systems like MoneyOnMobile. Unfortunately, the other side is it's made it harder for our agents to deposit their own operating cash. At the same time, it provides an opportunity for them to help consumers transfer money into bank accounts and digital payment means and avoid long lines at banks.

Now, the longer-term affect could more consumers willing to put money into digital wallets and performing digital transactions themselves as they understand now that cash is a difficult medium to transact. So, I think in the long-term, the government's push of the change of the currency notes will promote digital means of transactions tremendously over the long period of time.

Jon Cunningham:

Great, thank you. I have the final question for today's call; are you on-track for an uplisting to a major exchange? What's your view on the timing of that?

Harold Montgomery:

Well, it's been an express goal of the Company for some time, to achieve an uplisting to a major exchange, and we continue to meet with bankers and consult with the exchanges themselves about the process and what steps we would need to take to formally begin that process. We believe that we're well-positioned as a candidate to start the process and achieve an uplisting and we've been taking some concrete steps in that regard including adding Board Members which we continue to do, continue to recruit new Board talent and we believe we're well-positioned for an uplisting candidate.

The exchanges are giving us positive feedback about their view of the Company and so we're looking forward to initiating that process. I'd really like to start it in early 2017, if we can, but there are some concrete steps we'll have to take before we become a viable uplist candidate, but I'm optimistic about it.

Job Cunningham:

Great. Do you have any final comments to wrap up the call?

Harold Montgomery:

No, Jon. I think we pretty well covered it. I feel good about the future of MoneyOnMobile. I think this currency reset is going to be a positive for the business in the longer-term and I think we're looking forward to exploiting the growth opportunity that we've identified in India that is drawing more and more attention every day. The shareholders may want to see or have seen the interview I did just a few hours ago on the BBC, which is available on YouTube. That's an exciting kind of attention that we're getting now for MoneyOnMobile and there will be more. There was also a BBC Radio interview that went out about an hour ago. So, it's exciting to receive this kind of attention and exciting to be in the middle of what the government is doing with respect to digitization of the currency in India.

Jon Cunningham:

Great. Harold and Scott, thank you so much, and many thanks to everyone for participating in the call and your continued support of MoneyOnMobile. This will conclude MoneyOnMobile, Incorporated's second quarter 2017 earnings call. You may now disconnect.