

MySQUAR Limited

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MySQUAR raises £2mIn to fund acquisition of mobile payments systems group MyPay Myanmar

MySQUAR Limited (LON:MYSQ) has raised £2mIn to fund its acquisition of MyPay Myanmar as it looks to accelerate the development of its mobile payment system.

The AIM-quoted firm has issued £2.22mIn of convertible bonds to Atlas Capital Markets, which has supported it in the past.

Direct link to central bank

The bonds, which have been issued at 90% of their face value, bear a coupon of 5% per annum and mature in two years' time.

That cash will be used to complete the acquisition of MPM, for which MySQUAR is paying £1mIn in cash and a further £1mIn in shares.

MPM is in the process of applying to the Central Bank of Myanmar for a payments licence and will help to streamline MySQUAR's development of a smartphone payments system.

This is an important goal for the company, given that only about one-in-five people in Myanmar has a bank account but a far more owning a smartphone, which should lead to rapid adoption of digital wallets.

MySQUAR expects the mobile payments side of its business to generate "substantial" revenues further down the line.

MPM and MySQUAR have history

MySQUAR and MyPay aren't unknown to one another; back in 2015 the two struck a revenue-sharing deal which saw MyPay's mobile payment services integrated into MySQUAR's MyCHAT messaging app.

"The acquisition of MyPay Myanmar enhances our drive to be the leading directly regulated mobile payments facility for remittances back into Myanmar," said chief executive Eric Schaer.

"The acquisition significantly enhances the economics for the company by buying back in the revenue sharing agreement and positions us to help millions of Myanmar citizens significantly reduce the cost to remit funds back to Myanmar."

New CFO appointed

As part of the MPM acquisition, one of its directors, Nicolas Nguyen, has quit his post to take up the position of chief financial officer at MySQUAR.

MySQUAR has been on the lookout for a CFO since April when Pham Dang Hung stepped down to pursue other interests.

No takeover

Earlier this year, MySQUAR revealed it had received a takeover approach from an unknown suitor.

Share Information

Code: MYSQ

Listing: PRIVATE-UK

Sector: Software & services

Website: investors.mysquar.com

Company Synopsis:

MySQUAR is an established technology group focussed on becoming the social media, entertainment and gaming platform of choice in Myanmar, one of Asia's fastest growing economies.

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Those discussions never really progressed much further, and the company confirmed today that it considers these talks to have now terminated.

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