

**The following is an unedited transcript from MoneyLion's 2022 Investor Day. This transcript was prepared by a third-party vendor, may contain errors or inaccuracies, and has not been checked, proofread or corrected by MoneyLion. If you have any questions, please contact [ir@moneylion.com](mailto:ir@moneylion.com).**

## **Q/A**

### **Kate Fallon**

Welcome back everyone and thank you so much to those of you who submitted questions. We'll get right to it. All right, given MoneyLion's data advantage, what opportunities exist for your consumer and enterprise businesses?

### **Dee Choubey**

Sure, I'll take it. First of all, I think it's important to identify and define our data advantage, right? So, we're creating millions of data points on a daily basis on consumers. We know their intentions, we know their preferences, we know when their shopping at Starbucks, we know exactly how their paycheck is coming into the system and how quickly it's decaying, and that allows us to really converse with our consumers at every financial inflection point that they're having.

I think it's a great opportunity for us to actually hear from Tim, our Chief Product Officer, and maybe he can expand a little bit more about the data advantages you were talking about

### **Tim Hong**

Yes, when I think about our data advantage, one of the key things is that it's a durable foundation. You know, what we mean by that is first party data, that customers are coming in and they're deciding to share their data with us and that's a result of the value exchange that we provide the consumer, right? What that means is that we're in control over our destiny. And so, you know, often times many banks will look at something like personalization, as putting your first name on a piece of mail they sent you. What we're thinking about is how we can use machine learning to create segments of one that are truly personalized also how can we use our data advantages in AI. As an example, how do we personalize not just text, but images and video. That's why we're so interested in trends like chat GPT, Dolly, and more. So that's how we're really going to use this foundation in the future.

### **Dee Choubey**

We want to be the first destination for financial product surge. Maybe it would be interesting for the audience to hear how data impacts your world.

### **Jeff Frommer**

Yes, I think that the person that could best help Tina figure out which car she can afford is her bank. But nobody wants to undress themselves, tell you their credit score, or tell you how much money they make, tell you why they spend \$200 at Shake Shack per month, but you really need to provide all that information to the person on the other side who can actually take that in and try and tell you not only the next step but actually give you the tool to do that. And what you're actually seeing today is that we

have a prototyping ground inside of the money line ecosystem where we're able to see what customers are relating to that content and now we can then use that data with the creators who are coming to our platform, they are giving us their content, with the customers and cohort we know are relating to those interests and turn that into marketing capabilities that we can take outside our ecosystem, that we can use for paid marketing, that we can better leverage for partnerships that we can take outside of our own four-wall garden. No one else has the ability to rapidly prototype while generating revenue with their own content and data. And that's what we're doing today. It's very useful.

### **Dee Choubey**

We heard from the CEO of Nest Egg that they use the data that we generate to make real-time decisions, more text app. So, Phil maybe you want to talk a little bit about how data is Central to your DNA in terms of the products.

### **Phill Rosen**

Because it's incredibly unique, even financial is incredibly integrated into the decision making underwriting and on boarding system of hundreds of financial institutions. So, what that functionally means is that if a credit application hits the even infrastructure, I see every approval and rejection they receive across our entire ecosystem. I see the terms of their approvals, what are the rates, what are the credit limits, what are the APRs. They may receive it on savings account. I see in detail specifically on a consumer basis all the terms of what they've gotten and what they haven't gotten allow the types of things that Tim and Jeff talk about but also lets financial institutions purchase data products from us to optimize their own business in a lot of cool ways.

One way is let them see how competitive they are that have a more competitive offer or if they're losing and they need to change their product. It lets them identify product opportunities in places that are they could be serving which are underserved. It lets them test products and see if they're viable. But it also is in the near term also going to enable new functions, things like. So, it's more valuable to a bank to retain a customer that it is to acquire a new.

With even financial data set we can actually identify if a customer shopping and is being enticed with an alternative offer which in turn enables a financial institution to do some action to retain them. This data also lets them see over time how the consumer is performing in the product. So, if that means strategy delinquencies start enforcing acquisitions and underwriting strategies to prevent those adverse outcomes. So, there's a whole suite of Data Solutions we are able to offer enterprise companies and enterprise clients that nobody else is really positioned to do because our infrastructure is fundamentally unique.

### **Kate Fallon**

Great. So how should we think about the our cast profile. Continue. 5:58 So you want to maybe take the CAC portion of that and answer about the r code.

### **Cynthia Kleinbaum**

So, let's talk math. CAC goes down, you have two levers -you either increase the percentage of your customers who have called from a free or non-paid channel, or you improve the cost of the paid channel. We are doing both, as you saw. With the paid channels we are relying less on paying external parties and

relying more on the even integrations and the market partnerships. As they grow, we are going to be growing more through those challenges, less through third party channels. And then how do we grow the non-paid. We spoke very little about this. I encourage you to go to the app and use this, but we have features in the app that are meant to drive community, to drive virality. We have the B2B product, we have the referral product, we have transfers. Their products that are and we have a share of the content. These are ways in which... in marketing we have this word that we call, this phrase that we call "flipping the funnel", so if you think the funnel is like this, you flip it and make it a megaphone. So, basically, we are making us a megaphone off our funnel by using our most loyal customers at our advocate they will bring customers to us so that's how we are going to lower the CAC.

### **Dee Choubey**

Talk about every customer that comes in 2.q products on out platform. Maybe Timmy can talk a little bit about that is how we set up the product for cross-sale ecosystem expand over time and over life cycle.

### **Tim Hong**

Yes, absolutely, If you think about how our product are structured they are designed to be low friction together any one of them and money but what we've also done is to connect those products., make them better together. So, someone instant cash more money can really get an even better, even more differentiated experience when money is moving around, even faster. We're starting to do that with third-party products, as well. As we integrate lending capabilities from our partners into more money to have instant deposits. so those are just some of the ways that we're just doing a very natural value driven sale between products

### **Kate Fallon**

All right, regarding adjusted margin, what are the levers driving operating Leverage?

### **Dee Choubey**

Why don't we turn I over to Rick. Since you already let answer CAC

### **Rick Correia**

So, I think if you look at our version. we talked about two components to them. one is around the variable cost and that has continued to be a success for us, and we've continued to kind of bring down your marketing spend. You'll be able to bring down our data spend and we'll also be able to optimize our credit product that allow us to continue to kid of stay within the zip code of what we can expect on those products and, of course, the direct cost and you probably saw on that variable chart that ort continues to come down and for those of you who actually have finance backgrounds, if you look at a fixed costs, generally you would think that those would also continue to come down at an accelerated rate, because, even though they're not really kind of fixed in the traditional sense that we've been able to bring those down significantly quarter over quarter as we continue to scale. and that's what's driving the overall offering leverage break Even point in the near-term and that cab equate to the median term over the next 2-3 years.

### **Kate Fallon**

All right. why would creators join the Moneylion Creator Network versus TikTok, YouTube, etc.

**Dee Choubey**

I don't even have to pass that off. Yeah, lets go to Rick

**Jeff Frommer**

Look, creators today want to be where consumers are which is everywhere and always on, but a lot of them don't have the infrastructure of the capabilities to do that this is not an "if or or" it's an "and". We want creators to be discovered on TikTok and YouTube but we also want them to want their content inside of the money line platform because today we can leverage that content to hyperpersonalize it against the data of someone who is looking for the exact thing that they're saying that can help that person's life again with either a large scale decision or something like "how to dress like a million bucks on a \$30,000 salary".

So, we want to get these creators to look at us as another platform where they can either repurpose content and in the future ideally give those authenticated creators an ability to one day see that maybe the FED has a hundred fit change, and we don't have to as a network or as a brand release an army creators. Those creators are already going to dive into this platform and want to communicate what does that mean to the everyday consumer in their own voice, in the way that they create, with our tools, hyperconnecting them with someone in our community. And so that's why they should create and want their content on TikTok.

And the other thing I'll just add is that what I said earlier it's also about making more money using the enterprise business that we've created to allow that creator to say something not have to decide on behalf of the fan who's trusting in them to which product is right, because we've already done that through the technology side.

Now, when someone says, increase your credit score it should not be up to the creators to decide for that person what is the best product. It's our job so maybe or maybe... one so it's a get more eyeballs, hyperpersonalize with more people, and make more money, and that's why they should have their content on the MoneyLion ecosystem personalized.

**Kate Fallon**

All right. OK. Can you talk about the customer acquisition cost benefits enterprises receive when they use your marketplace?

**Phill Rosen**

One thing I'd like to say is that financial service product aren't. If you are selling shoes and somebody wants to buy shoes if money you can give them the shoes and they can take their money. but with financial service products it's not the case. we have things that are dating factors to that like credit score, you know, existing debt ratios etc., right? so you know if you look at traditional advertising where you might say "I'm going to buy a thousand impressions to advertise my credit product" probably only 30% of the consumers who see it will be actually agreeable to purchasing it. because even financial is integrated into underwriting and decisioning systems we've actually been able to Pioneer model where consumers ultimately are only being shown products that they are actually qualified for and able to buy, and that the financial institutions are only paying for consumers who are actually in market and are capable of converting into their products.

So that's one level, but the other is something that comes from our data which is because we're so strong on machine learning, and because we've seen everything consumers have been approved for and rejected for in the past, we're able to use ML and AI to actually predict what a consumer is going to convert into and this is a different point in the funnel. What we talked about before was, "are they qualified?", this is actually "are they going to convert?", and that enables you to actually drive down the data fees that a credit provider would actually have to pay for in the underwriting process, because we prevent those consumers from ever hitting their system, right? So a combination of technology plus a novel model for how we actually charge and offer our services means that we're radically more efficient with place to spend compared to broader, you know broader advertising platforms like Google or Facebook.

### **Closing Remarks**

#### **Kate Fallon**

Great. Thank you, Phil. Alright, well, thank you everyone for all of your questions. That's actually all we have for time because we'd like to pass it back over to Dee for some closing remarks.

#### **Dee Choubey**

Thank you Kate. And before I go into closing remarks, I want to thank the amazing management team here at MoneyLion for their incredible hard work and dedication. I think you all saw what a fantastic team we have here and why we have so much confidence going into 2023. So let's get a round of applause for MoneyLion's management team.

So MoneyLion was built for profitability at scale, despite recent challenges, the macroeconomic backdrop and concerns around a potential hell for the consumer, inflation, rising interest rates, we remain incredibly confident in the resiliency of the Consumer and our Enterprise clients. We remain super confident in our business model. We've invested deliberately in the right assets. We've built an all-weather resilient business model. We have attractive structural margins and we have adequate runway, because I know this is on the mind of a lot of investors, to support us through our path to profitability. We have significant secular tailwinds behind us that we believe persist through economic cycles. Fintech will eat the world.

No company has what we have from a data standpoint. No one has our content. No one has our Marketplace assets with over a thousand channel partners and product partners, where we're deep into their tech stacks. No one has our ability to build products, the AI, the machine learning and the decade-long experience that we have in interacting with the 90 plus million Americans that self-identify as struggling with financing. This is intentionally a mass market we are going to win and no one is executing the strategy we're executing. Rising interest rates and I'll say this again, rising interest rates are not going to stop fintech from eating the world. Disruption and innovation are core to our DNA. This is a founder-led company. We obsess with making a change on a daily basis. So long as we continue to offer better products and services in the market than the status quo, we believe there will always be customers that see our value proposition.

So thank you all so much for spending your afternoon with us. We are super excited about 2023 and we're going to win. Thank you again. Let's go enjoy a drink out the back.