



3Q 23 Earnings Conference Call

Wednesday, 6th December 2023

Operator: Good day and thank you for standing by. Welcome to the Money Hero Group 3Q 23 Earnings Conference Call. At this time, all participants are in a listen-only mode. After the speaker's presentation, there will be a question-and-answer session. To ask a question during the session, you will need to press star one and one on your telephone. You'll then hear an automated message advising your hand is raised. To withdraw your question, please press star one and one again. Alternatively, you may submit your questions via the webcast. Please be advised that today's conference is being recorded. I would now like to hand the conference over to your speaker today, Nawaz Imam, Group Head of Corporate Development. Please go ahead.

Introduction

Nawaz Imam

Group Head of Corporate Development, MoneyHero Group

Thank you so much. Hello everyone. Good morning or good evening depending on where you are. I'm Nawaz Imam, Group Head of Corporate Development. We're excited to have you join us for Money Hero Group's First ever earnings conference call for the third quarter of 2023. Today we have with us Prashant Aggarwal, our CEO, and Shaun Kraft, our CFO and COO. Let's start with a few friendly reminders.

First off, you can find detailed results in our earnings release located in the investor relations section of our website. Also, we're recording today's webcast. Don't worry if you miss anything; a replay and a transcript will be posted on our website under the investor relations section as well. A heads up. During this call we'll discuss some future projections and expectations for our business. Keep in mind these forward-looking statements are based on what we currently expect and are subject to risks and uncertainties that could cause our actual results to differ.

We encourage you to look at our earnings release and SEC filings for a detailed discussion of these risk factors. Remember, these forward-looking statements reflect our views as of today and we're not obligated to update them unless required by law. Also, we'll talk about some non-IFRS financial measures today. For a reconciliation of non-IFRS financial measures to the most directly comparable IFRS metric, please see our earnings press release. And one last thing, all monetary references will be in the United States dollars unless we say otherwise. And with that I will hand it over to Prashant Aggarwal, our CEO.

Presentation

Prashant Aggarwal

CEO, MoneyHero Group

Thank you very much, Nawaz. Good morning and good evening, everyone. It is an absolute pleasure to be here with you today for our first ever earnings call. First and foremost, I want to thank all of our investors new and old with an incredibly low redemption rate of approximately 36% in our de-SPAC. Our investors, including Thiel Capital and Pacific Century Group have shown a tremendous amount of confidence in the growth dynamics of our industry and trust in us, the management team, to grow MoneyHero into Southeast Asia's preeminent financial products platform.

With this fresh capital in an otherwise very difficult fundraising environment, we aim to strategically push forward in growing our top line and overall market share aggressively over the coming quarters. With that being said, it is

worth restating the primary mission of MoneyHero Group: to make our users' personal finance decisions more efficient and more rewarding while maintaining strong, trust-based relationships with our commercial partners, whose contributions are strategically important for our ability to attract and retain users. We will remain laser focused on both.

Now let's walk through the key highlights for this quarter.

We are excited to see strong performance across our business, especially in key metrics like monthly unique users, total traffic and members. Looking at the fundamentals of our business, we have built a strong consumer presence across our markets over the years. As a result, the majority of our traffic, up to approximately 75%, has historically come through organic channels and we anticipate that to continue. This provides an opportunity for us to see significant operating leverage as we continue to scale and refine our core technology for more efficient user segmentation and targeting.

It is also important to note that we pioneered the process of managing the rewards and incentives infrastructure within financial services firms' value chain, including the reward strategies, sourcing and fulfilment. This has been a critical driver of our volume growth and revenue. As we scale, we will be able to drive further procurement cost savings given this deep integration into their value chains.

Importantly, we generate revenue in the vast majority of our commercial agreements through end user conversions that lead to high quality approved applications for our partners. This emphasis on end user conversions ensures our goals are aligned with those of our partners as our commercial pricing on a per unit basis generally increases as we drive greater consumer volumes to them. Financial services firms seeking to boost customer acquisition volumes through online channels often face escalating marginal costs. Acquiring each additional customer becomes progressively more difficult, enhancing the value of our services in their efforts to grow and scale.

Now getting into our various markets. In Singapore, we continued to see strong performance as revenue in the third quarter increased 50% year over year to USD 9.5 million driven by effective marketing and a favorable mix in our client portfolio, especially in credit cards and insurance. This solid performance underscores the company's strong position and competitive edge in the Singapore market.

During the quarter, we strategically enhanced the value of the rewards on offer to consumers aiming to expand our market share in Singapore. Given our strong market position, we will continue with a similar strategy to gain further market share balancing short-term margin impact and long-term market share and scale gains.

In Hong Kong, the company reported solid growth with revenue increasing by 23% year over year to USD 6.9 million for the quarter, showcasing continued resilience in this market. Hong Kong is our most diversified market from a product perspective. The quarter was characterized by favorable profit margins indicating efficient operations and effective cost management strategies. A key driver of this performance was the diversified mix of product verticals that contributed to this growth, highlighting the company's ability to cater to a broad range of consumer needs.

We are extremely pleased with our progress in the Philippines where we've achieved 39% year-over-year growth, reinforcing our growing dominance in this market. Over the past nine months, this market has generated over \$10 million in revenue, representing 19% of our group revenue, an increase from 15% for the same period in 2022. The expanding addressable market buoyed by macroeconomic growth and increasing digitization, presents the company with substantial ongoing opportunities. Please note that a recent Euromonitor market study, which is publicly available on our investor relations website, forecasts nominal GDP compound annual growth rate from

2023 to 2028 of 9.4%, which is a rapid rise in digital penetration throughout the country.

In Taiwan, we navigated the continued challenges associated with the sale of cities consumer banking operations to DBS. This transaction officially closed in August of 2023, resulting in ongoing operational integration efforts at DBS, which have limited our collaboration abilities at this time. However, Money101, our Taiwan marketplace, continues to witness a significant increase in user engagement with monthly unique users reaching 2.7 million in the third quarter 2023 up from 1.8 million from the same period in 2022, growth of 50%. Furthermore, we have continued to invest in our commercial capabilities within Taiwan to further penetrate the banking market and capitalize on customer acquisition opportunities with local financial services firms and regional players seeking expansion in Taiwan. From a product perspective and in line with our strategic plans to grow our insurance footprint, we are extremely pleased to see 150% increase in insurance product revenue year over year totaling USD 1.5 million in third quarter. This contributed 7.4% to our group revenue as compared to only 3.4% in the prior year quarter.

We currently have insurance brokerage licenses in three of our markets and an agency license in one of our markets; in Taiwan where we currently do not hold a license, there are efforts underway to obtain one. Brokerage licenses facilitate seamless online insurance transactions for our users, enhancing our revenue through user conversions. We continue to see strong traction across the insurance related product portfolio and have continued to invest in this business line across all functional areas. This focus on insurance reflects our recognition of its significant yet largely untapped potential within the Asian consumer finance landscape. We are confident that the sector offers strong structural as well as cyclical growth opportunities. Now, as the same Euromonitor report that I referenced earlier, online gross written premiums constitute only 6% of total written premiums across our markets, with both online and overall gross written premiums forecast to increase rapidly, showing a significant opportunity ahead of us.

We are also heartened to see the growth of Creatory, our B2B business. Creatory allows us to capture users and convert traffic from online content channels and lifestyle platforms by sharing revenues from end conversions through our pre-existing commercial deals with partners and associated offers. This approach not only expands our user reach, it ultimately offers a more sustainable model of paid digital marketing relative to traditional methods such as paid search or social media advertising.

Given the increasing trend towards digitization and content creation across our markets, we believe Creatory can play a progressively larger role in our overall business where it already contributes 18% of total revenue. This will drive ongoing growth across our markets, especially as we broaden our applicable product reach.

In closing, as we navigate through an increasingly complex global macroeconomic environment, our company is well aware of the potential challenges ahead. Despite these global economic conditions, our commercial pipeline indicates continued investment from consumer banking firms in customer acquisition, suggesting a stable demand in the regions where we operate.

These geographies show signs of being structurally underpenetrated, offering room for growth, especially in resilient sectors like insurance, which are less impacted by global economic fluctuations. Our approach is to prudently capitalize on these markets' potentials, especially in areas that are yet to be fully explored while remaining adaptable to the global economic landscape. We are prepared to adjust our strategies for consumer acquisition in any given product segment with a clear understanding of the levers at our disposal to manage margins and control related expenses effectively.

With that, I thank you very much for your attention and I'll turn it over to Shaun Kraft, our CFO and COO.

Financials

Shaun Kraft

CFO & COO, *MoneyHero Group*

Thanks Prashant. Good day everyone. I wanted to first start by sharing some details about our de-SPAC transaction before I get into our third quarter numbers. On 12th October, we successfully closed our business combination with Bridgetown Holdings through which we raised approximately US\$99.9 million in gross proceeds through the contribution of cash held in Bridgetown's Trust account. Net of transaction expenses proceeds raised were approximately US\$87 million. Shortly after closing of the business combination, we deployed proceeds to prepay all outstanding third-party debt and as of 31st October, MoneyHero had a debt-free balance sheet with US\$70.5 million of cash and cash equivalents.

In terms of the post business combination capitalization of the company, as of the date of this earnings release, we have a total of 42,002,325 shares issued and outstanding. For further details, please see our earnings release.

Turning to our third quarter results. Let me first start by saying that since the business combination was not completed until the fourth quarter of 2023, the results presented today and, in our earnings release, have been prepared on a standalone basis in respect of CompareAsia Group Capital Limited and its subsidiaries. CompareAsia Group Capital Limited was the parent company of MoneyHero Group prior to the completion of business combination with Bridgetown.

In the third quarter of 2023, MoneyHero Group delivered 17% year over year revenue growth to US\$20.3 million. Excluding Taiwan, which has faced challenges this year, third quarter revenue increased 36% year over year with strong performance in Singapore, Hong Kong and the Philippines as summarized by Prashant.

From a profitability standpoint, in the second half of 2022 and then the first half of 2023, we were laser focused on improving the underlying profitability profile of the business achieved through a combination of cost reduction and strengthening of unit economics. This was executed extremely well by the team and led to a material improvement in our profitability profile.

In the third quarter, our adjusted EBITDA loss improved to negative US\$1.3 million from negative US\$3 million in the third quarter of 2022. Looking at the nine-month results, the impact of those actions is much more apparent. Nine months adjusted EBITDA in 2023 was negative US\$2.2 million at a negative 4% adjusted EBITDA margin compared to negative US\$13.1 million at a negative 26% EBITDA - adjusted EBITDA margin for the first nine months of 2022.

Having fine-tuned our profitability levers, we are now refocusing our efforts on accelerating top line growth and market share expansion. This strategy began to yield results in Q3 2023 with 27% quarter on quarter revenue growth and we are continuing to see this accelerate in the fourth quarter. In each of October and November of this year, we achieved new record monthly revenues in excess of US\$9 million per month with our Singapore market leading this exceptional growth. While we are not providing formal guidance for Q4, it is fair to say that our growth trajectory has significantly accelerated on the back of strong execution by the team, and we are successfully expanding our market share across markets consistent with our strategy.

As we evaluate the strategic direction of our company, we recognize the potential in prudently using our cash balance to foster growth. Our approach is twofold. First, we aim to strengthen our core business through organic initiatives that enhance our existing operations and market presence, such as investing into our insurance business, which is our fastest growing product vertical or further expansion of our B2B business, which has equally

shown strong growth and presents a massive opportunity for us. Simultaneously, we are open to exploring strategic acquisitions, investments or partnerships which align with our long-term vision and can offer significant value add. In the fragmented competitor landscape of our industry, our company stands out as a significantly scaled player surpassing competitors by an order of magnitude in almost all of our markets. This dominant market position, coupled with our robust capital situation, enables us to consider these broad growth opportunities and to do so in a manner that would be both attractive and accretive to our overall value.

Our presence in developed markets such as Singapore, Hong Kong and Taiwan is largely profitable at the country level, enabling us to strategically reinvest into our core regional platforms, thereby enhancing our services and expanding our capabilities. Additionally, it provides us the financial flexibility to pursue growth opportunities in emerging markets where we can leverage the successes achieved in other markets to inform and guide our expansion strategies into newer territories.

Thank you for your attention today. For more details of our financial results, please refer to the earnings press release on the investor section of our website. And with that, Operator, please open it up for any questions.

Q&A

Operator: Thank you. If you would like to ask a question, you'll need to press star one and one on your telephone and wait for your name to be announced. To withdraw your question, please press star one and one again, or if you wish to ask a question via the webcast, please type it into the box and click submit. Please stand by while we compile the Q&A roster. Once again, if you would like to ask a question over the telephone, you'll need to press star one and one on your keypad and wait for your name to be announced; or if you wish to ask a question via the webcast, please type it into the box and click submit. We have no questions coming through at this time, so I will hand back over to the speakers.

Nawaz Imam: Okay. Well, thank you everybody for joining us. We really appreciate it. If you do have any questions or follow ups, please feel free to email us directly on our IR email address and we look forward to being in touch in the future. Thank you.

Operator: Thank you. This does conclude the conference for today. Thank you for participating and you may now disconnect.

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