

novae U.S. Product Launch Research

April 19, 2022



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Research Objective: Inform novae's MilesBlue product launch with insights about the competitive set, market size potential and most desired features.

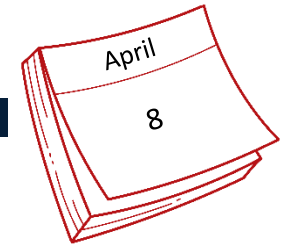


~P18M

3M+ consumer evaluations of every consumer-facing Payment product strategy and innovation implemented in the U.S. market spanning major banks and Fintechs
See Appendix for an overview of Pi-360 platform

~P1M

3,718 interviews with U.S. consumers evaluating the MilesBlue value proposition
18 Fintechs were analyzed to identify key drivers of acquisition and ongoing product engagement



* MilesBlue data collection occurred between March 7th and March 22nd

- This research leverages syndicated Payments / Pi-360 intelligence research and benchmarking process managed by The Futurist Group.
- All data is weighted to be representative of the U.S. population.
- Pi-360 product reviews are conducted with nationally representative audiences of U.S. consumers. Feedback includes customers and prospects but is heavily skewed toward prospects. Each individual product mentioned in this report is based on 600 – 4,000 product reviews. Feature evaluations can range from 150 to 5,000+ consumer evaluations.
- Elements from the Market Analysis portion of the report are for internal novae use. Sharing with third parties requires approval from The Futurist Group & citing.

1. Executive Summary
2. Market Opportunity and Target Customer Segments
3. Super Apps in The U.S. Market Today
4. Top Performing Market Features and Benefits
5. Key Opportunity 1: Elevate Rewards Redemption
6. Key Opportunity 2: Cater to Crypto Seekers
7. Considerations: Barriers to Adoption
8. Appendix

Executive Summary



A Strong Proposition and Opportunity

Overall, the MilesBlue value proposition is appealing to consumers because a) it addresses significant pain points experienced by consumers when redeeming rewards (e.g., via real time redemption) and b) offers nine impactful features that perform above the market benchmark of top performing benefits (e.g., redeem rewards for crypto). Additionally, in the U.S., the market for super apps is in a nascent stage and **novae could achieve first mover advantage**.



Market Opportunity and Target Customer Segments

A sizeable market exists with 32% of U.S. consumers (80M) indicating interest in MilesBlue. Consumers were interested in MilesBlue across the multiple segments including Millennials (46%), Mass Affluent (39%), Miles / Points Cardholders (40%), and Crypto Owners / Seekers (59%).



Additional Features for Consideration

The existing product could be made even more appealing by offering debit cards in addition to virtual cards and/or additional features like expanded redemption options (e.g., ability to withdraw cash), social finance components (e.g., P2P), and/or a referral bonus.



The Importance of Messaging

15% of consumers are dissatisfied with the lack of education provided by existing crypto apps. Thus, a successful go to market strategy should include marketing that effectively educates consumers on the MilesBlue offering and crypto capabilities (e.g., ease and immediacy of the MilesBlue redemption process and crypto tax implications).



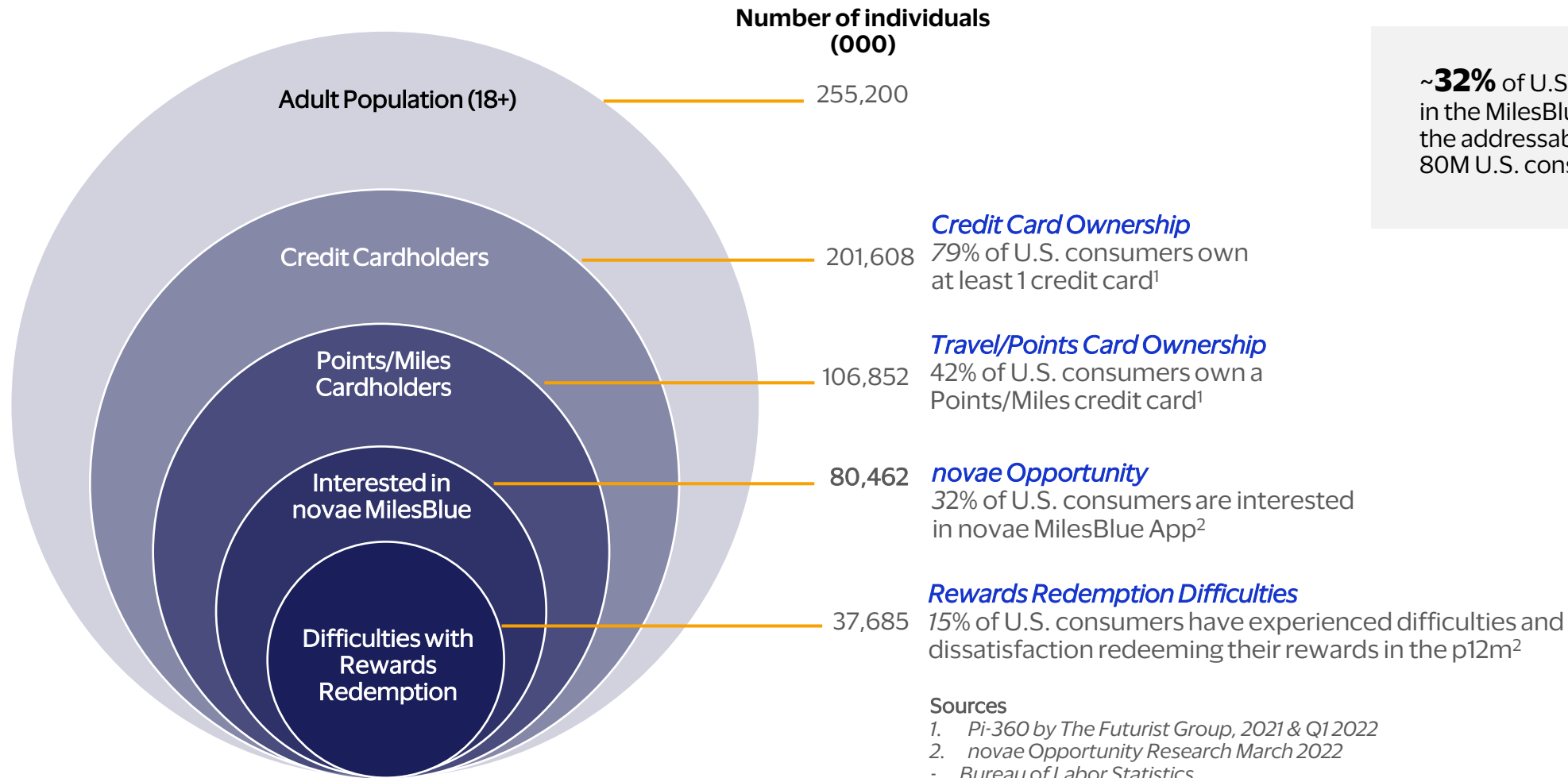
Crypto Findings

Not only is MilesBlue well positioned to cater to the 28% of consumers that want to invest in crypto, but it can readily appeal to crypto enthusiasts given that it offers top performing crypto-focused features (e.g., accelerate earn when buying crypto and redeem rewards for crypto).

Market Opportunity and Target Customer Segments



Addressable U.S. Market



~**32%** of U.S. consumers indicate interest in the MilesBlue value proposition, putting the addressable market for novae at nearly 80M U.S. consumers

novae Adopter 'At A Glance' Profile

Profile of novae Adopters vs. Everyone Else
(Index > 100 = Adopters Are More Likely)

		ADOPTERS	REJECTORS
AGE	Gen Z	79	13%
	Millennials	183	44%
	Gen X	111	24%
	Baby Boomers	51	17%
INCOME	Low Income	81	35%
	Mid Income	91	28%
	Mass Affluent	141	37%
ASSETS	No Assets	59	25%
	Low Assets	102	16%
	Mid Assets	155	25%
	High Assets	226	25%
	Wealth	58	9%
FICO	Poor/Average Credit	114	32%
	Good Credit	157	28%
	Excellent Credit	85	35%
PAYMENTS	Revolvers	143	35%
	Transactors	102	49%
	Credit Card Spenders	103	30%
	Debit Card Lovers	78	24%
	Cash Kings	65	15%
SEGMENTS	Term Driven	137	27%
	Credit Builders	88	18%
	Reward Seekers	188	46%
	Families with Kids	198	44%
	Frequent Travelers	179	32%
	Miles/Points Cardholders	120	60%
	Difficulty Redeeming Rewards	319	39%
	Own Crypto & Want to Invest	316	21%
Don't Own Crypto But Want to Invest	392	34%	
	Digital Savvy	216	67%

MilesBlue is attractive to the following core segments:

- Millennials
- Mass Affluent (\$100K+ in HHI)
- Mid (\$25K-\$100K) to High (\$100K-\$300K) Investable Assets

Most notably, MilesBlue over indexes with consumers who have experienced **difficulties redeeming credit card rewards**, and consumers who **'Own or Want to Invest in Crypto'**.

LEGEND

Gen Z: <25 yrs.
Millennials: 25-39 yrs.
Gen X: 40-55 yrs.
Baby Boomers: 56+ yrs.
Poor/Average Credit: FICO <659
Good Credit: FICO 660 - 719
Excellent Credit: FICO 720+
Low Income: <\$50K in HHI
Mid Income: \$50K - \$100K
Mass Affluent: \$100K+
Low Assets: <\$25K
Mid Assets: \$25K-\$100K
High Assets: \$101K-\$300K
Wealth: \$301K+

Spend segments: payment type preferred
Revolver/Transactor - CC payment habits
Reward Seekers: CC rewards are important
Term Driven: APR/credit line are important
Credit Builders: needs to build or repair credit
Families: Kids under 18 in HH
Travelers: 2+ trips/yr + Airline or Hotel loyalty program
Digital Savvy: Use at least 2 of the following 3-
Digital Wallets, Investment Apps, BNPL
novae Adopter = interested in signing up for novae

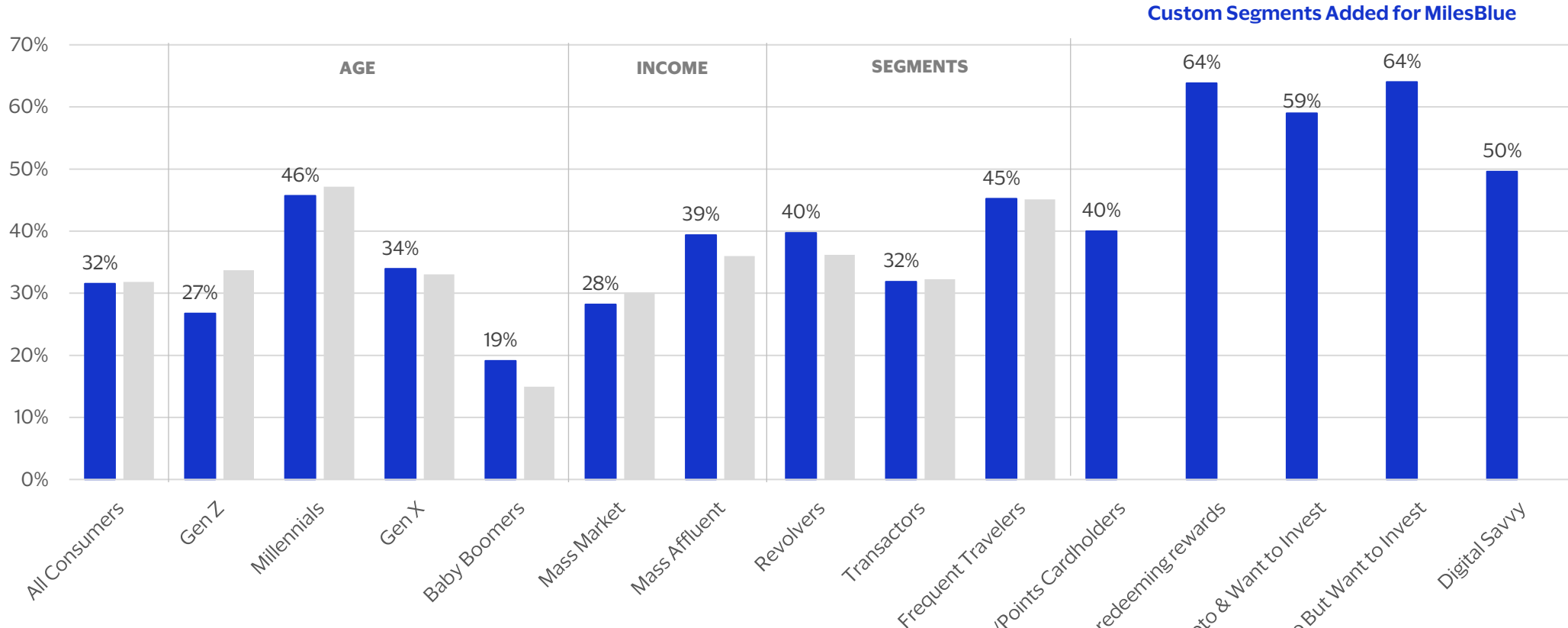


Index >130

Interest in novae MilesBlue

More than 6 out of 10 consumers who have experienced difficulties redeeming rewards are interested in MilesBlue.

Interest in novae MilesBlue
- Based on Application Intent -
■ MilesBlue ■ Benchmark



LEGEND

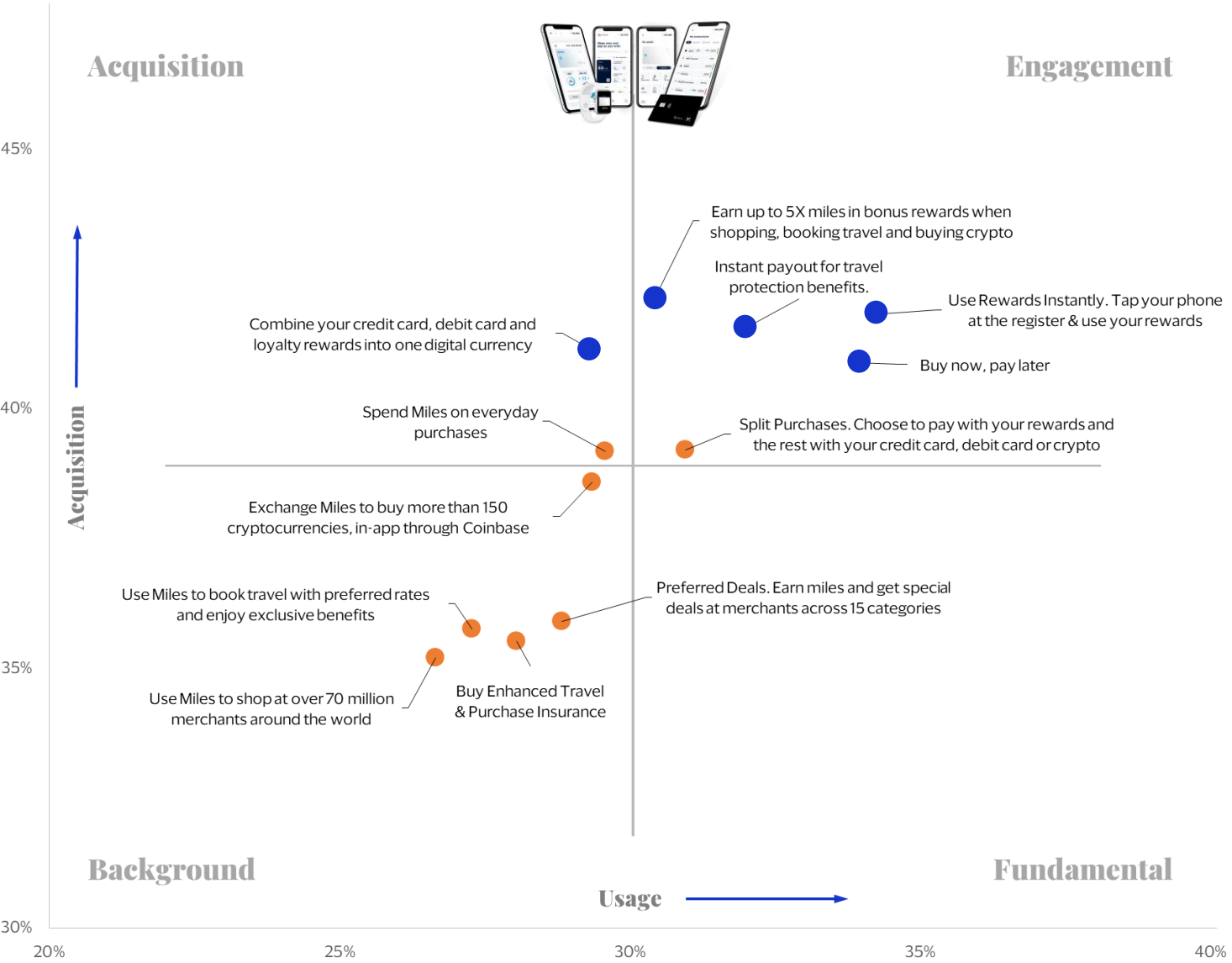
Benchmark: Bakkt SuperApp
 Gen Z: <25 yrs.
 Millennials: 25-39 yrs.
 Gen X: 40-55 yrs.
 Baby Boomers: 56+ yrs.
 Mass Market: <\$100K
 Mass Affluent: \$100K+

Spend segments: payment type preferred
 Revolver/Transactor - CC payment habits
 Travelers: 2+ trips/yr + Airline or Hotel loyalty program
 Digital Savvy: Use at least 2 of the following 3-
 Digital Wallets, Investment Apps, BNPL



MilesBlue | Why They Like It

MILLENNIALS



Population Size: 32%
Interest in novae: 46% vs. 32% for Norm

The convenience of consolidating rewards and improving the redemption process will be the core drivers of MilesBlue adoption among Millennials.

In addition to emphasis on core benefits (i.e., consolidation, earn acceleration, and instant redemption), prioritizing BNPL in concert with other payment options will resonate.

LEGEND

- Noteworthy strategies (Top 5 Drivers of Acquisition & Usage)



Super Apps in The U.S. Market Today



One can reasonably argue that the U.S., Super App market is in a nascent stage. Several providers are moving toward a **Super App strategy** that aims to deliver a **seamless combination of lifestyle and financial services** where consumers can access goods/services and transact with the tap of a button.

A Super App in U.S. Combines 4 Components:

A MARKETPLACE

A one stop destination for a range of goods and services

- A destination for both consumers and merchants where consumers are drawn to enhanced access and value, while merchants benefit from lower customer acquisition costs.
- A comprehensive range of services that can include shopping, travel, entertainment, and more.

FINANCIAL SERVICES

A mix of products and services that provide better access and a streamlined experience when compared to traditional providers

- Can include any combination of Payments, Loans, Insurance, Investments, Checking and Savings

A DIGITAL WALLET

Holds, centralizes, and/or maximizes value across multiple currencies (e.g., fiat, crypto, loyalty, etc.)

- Consumer-centric featurization - a mix of features that provide simplified access to financial services and related functions (e.g., investments, rewards aggregation, payments, P2P/social finance, savings, etc.)

PAYMENTS

Effortless (contextual & contactless) transactions that span mediums (online, mobile, in-store, P2P, etc.)

Allows consumers to pay where they want, and how they want (in store and online)...

- Via ACH
- Mobile Wallet or Wearable Device
- Credit or Debit
- BNPL
- Alt currencies: Loyalty, Crypto

On their journey to Super App status, providers can start at any one of these points.

Comparison of Top Players Trending Towards Super App

							
About	Launched	2018	2018	2013	2011	1999	2005
	Core / Initial Offering	Crypto rewards	Bitcoin trading	P2P	Digital wallet	Digital wallet	BNPL
Marketplace	Shopping	✓				✓	✓
	Travel	✓				✓	✓
	Auto Couponing					✓	
	Preferred Deals	✓		✓	✓	✓	✓
Financial Services	Checking or Savings			✓		✓	
	Virtual/Prepaid/Debit	✓	✓	✓		✓	✓
	Credit Card			✓		✓	✓
	Crypto (Buy/Sell/Trade)	✓	✓	✓		✓	
Rewards	Crypto Rewards	✓	✓	✓		✓	
	Intro/Referral Bonus				✓	✓	
	Instant Redemption	✓					
	Loyalty Program	✓	✓			✓	✓
	Cash Rewards		✓		✓	✓	✓
	Rewards Aggregation	✓	✓				
Payments	P2P		✓	✓	✓	✓	
	BNPL	✓				✓	✓
	Split Purchases	✓				✓	

Fintech Adopters 'At A Glance' Profile

		Profile of Fintech Adopters vs. Everyone Else (Index > 100 = Adopters Are More Likely)		ADOPTERS	REJECTORS
AGE	Gen Z	109		11%	10%
	Millennials	177		42%	24%
	Gen X	140		28%	20%
	Baby Boomers	45		18%	40%
INCOME	Low Income	77		36%	47%
	Mid Income	96		29%	30%
	Mass Affluent	151		35%	23%
FICO	Poor/Average Credit	106		33%	31%
	Good Credit	163		28%	17%
	Excellent Credit	83		34%	42%
PAYMENT	Revolvers	135		38%	28%
	Transactors	98		47%	48%
	Credit Card Spenders	86		27%	31%
	Debit Card Lovers	87		29%	33%
	Cash Kings	69		15%	21%
	SEGMENTS	Reward Seekers	185		44%
	Credit Builders	110		20%	18%
	Term Driven	135		28%	21%
	Families with Kids	199		49%	25%
	Frequent Travelers	209		33%	16%

When we examine the profile of consumers who are attracted to products offered by Fintechs, **Millennials emerge as an important target segment** (i.e., the most sizeable and easily identifiable).

In addition to age, Fintech adopters **tend to skew Mass Affluent, have Good (not Excellent) Credit** and tend to **Revolve credit card balances**.

These consumers **value Rewards**, but at the same time are **more likely to focus on the Terms** (i.e., fees, APR, etc.) associated with any financial product that they may consider.

It is interesting to note that Fintech adopters are also much **more likely to self classify as Frequent Travelers**.

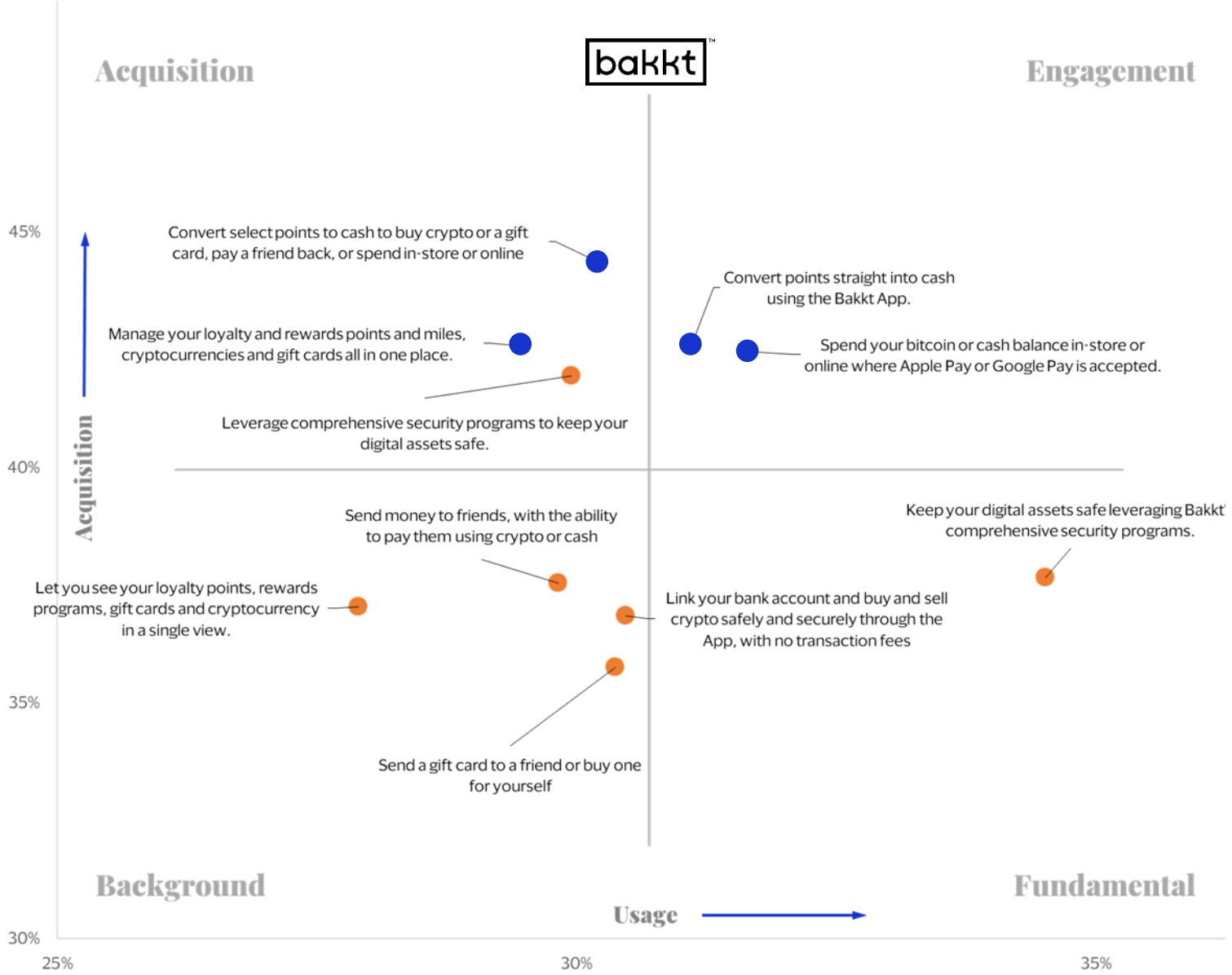
LEGEND

- Gen Z: <25 yrs.
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- Poor/Average Credit: FICO <659
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- Mass Affluent: \$100K+
- Spend segments: payment type preferred
- Revolver/Transactor - CC payment habits
- Reward Seekers: CC rewards are important
- Term Driven: APR/credit line are important
- Credit Builders: needs to build or repair credit
- Families: Kids under 18 in HH
- Travelers: 2+ trips/yr + Airline or Hotel loyalty program
- Fintech adopters = displayed interest in signing up for 100+ Fintech products evaluated by Pi-360



Bakkt | Why They Like It

MILLENNIALS



Founded 2018
Went public Oct 2021
Market cap: \$1.63B



Background: Founded as a trading platform for BTC, Bakkt's mission is to seamlessly connect and protect digital assets

Path from Crypto Investment Platform to Super App

- Initially a trading venue for trading Bitcoin futures and options.
- Launched a digital wallet in 2020, with scope later expanded to all kinds of digital assets, including rewards miles and loyalty points.
- In May 2020, acquired Bridge2, a loyalty rewards company.
- Bakkt has grown its user base through platform and channel integrations with strategic partners.
 - Starbucks, whose customers can monetize digital assets such as bitcoin and load the value onto their Starbucks Cards.
 - Members of Choice Hotels and Wyndham Hotels' rewards programs can convert unused hotel points to cash, bitcoin, and other digital assets.
 - Food delivery service BringMeThat.com integrated with the Bakkt platform, allowing its customers to pay with cash, points, or crypto

One of the features that resonates most with consumers, is the ability to easily convert miles/points into cash.

LEGEND

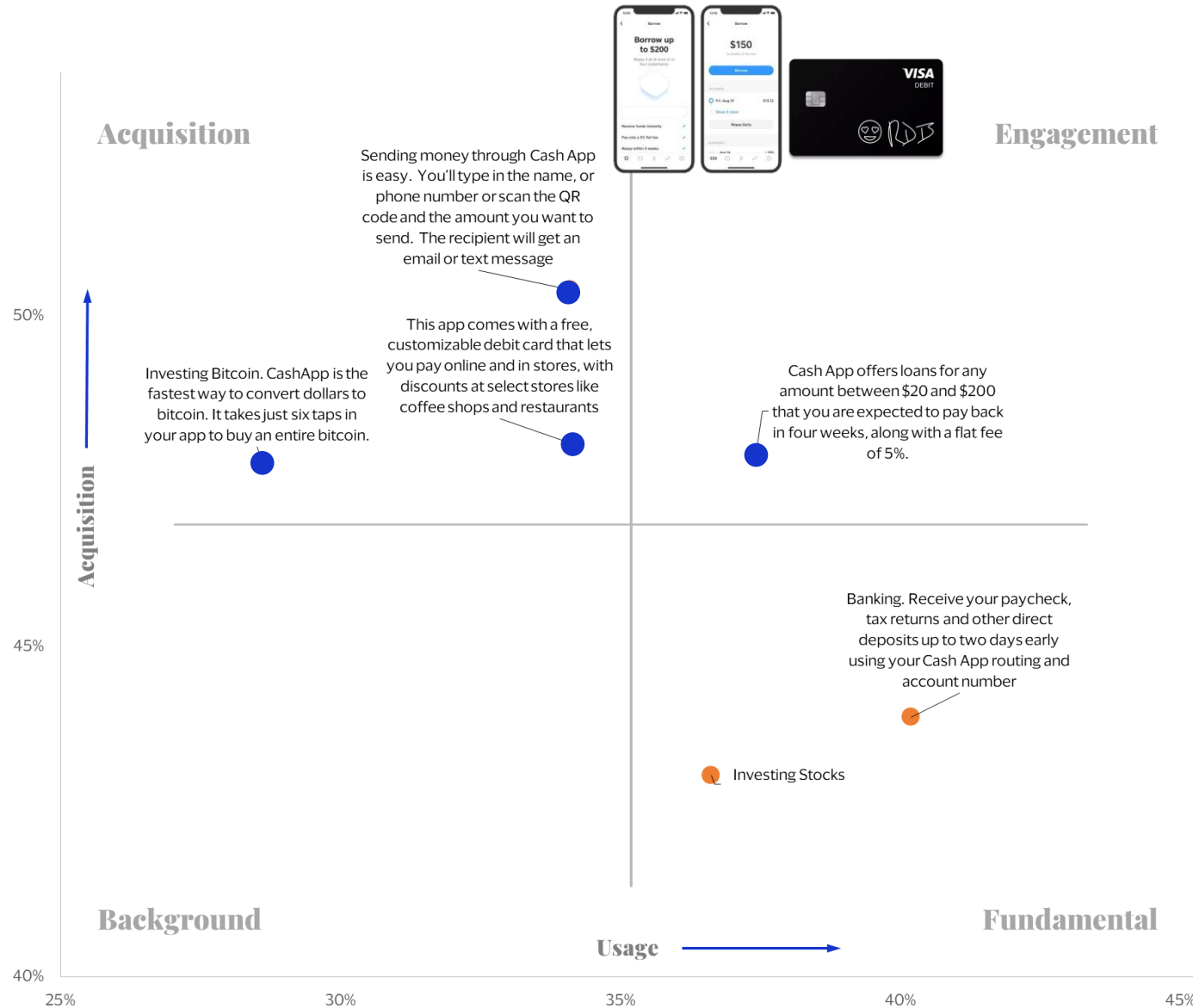
Noteworthy strategies (warrant consideration for novae product roadmap)



Data Source: Pi-360 Market Analytics, Crunchbase

CashApp | Why They Like It

MILLENNIALS



Launched 2013



Background: Block's **CashApp is the #1 downloaded finance app in U.S.** In 2021, Block reported over 70M active users (compared to 75M reported by Venmo at the same time).

Path from Digital Wallet to Super App

- CashApp has gained market share through rapid innovation, adding Bitcoin trading in 2018 and stock investment in 2019.
- Primary driver of revenue is the Cash Card, a 'customizable' debit card. Block has reported that Cash Card users are 2X more likely to adopt other CashApp services.
- In addition to its core services, CashApp is targeting underserved consumers with Early Wage Advance and Early ACH Access to Paychecks.
- Recently, CashApp announced the following features:
 - Introduced "Paid in Bitcoin" - Automatically convert a % of your paycheck into Bitcoin
 - Ability to round up purchases to the nearest dollar and invest the difference into cryptocurrency
 - 100% free tax filing with CashApp Taxes

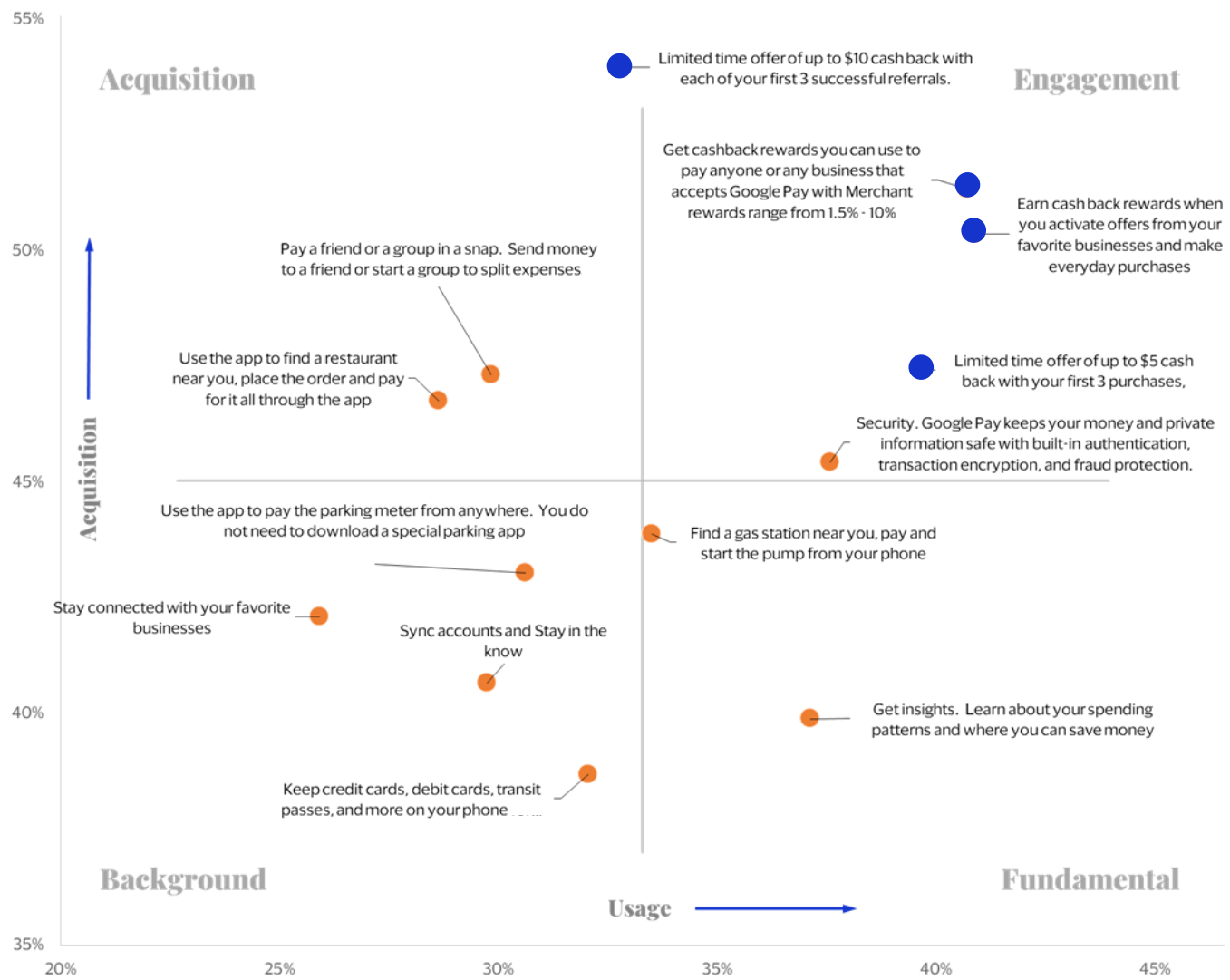
LEGEND

 Noteworthy strategies (warrant consideration for novae product roadmap)



Google Pay | Why They Like It

MILLENNIALS

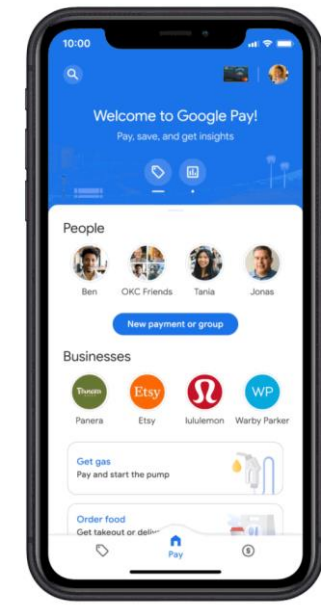


Launched 2011
US Revamp 2020



Background: In 2018, Android Pay and Google Wallet became Google Pay. The app was revamped in 2020 and as of April 2021 is the **#2 most downloaded Android finance app** in U.S.

Path from Digital Wallet to Super App



- Google Pay drives engagement with cashback rewards / discounts.
- Heavy emphasis on referrals and EMOB engagement helped drive acquisition.
- 2020 Revamp introduced several new use cases, emphasizing contactless payments for Restaurants, Gas, and Parking.

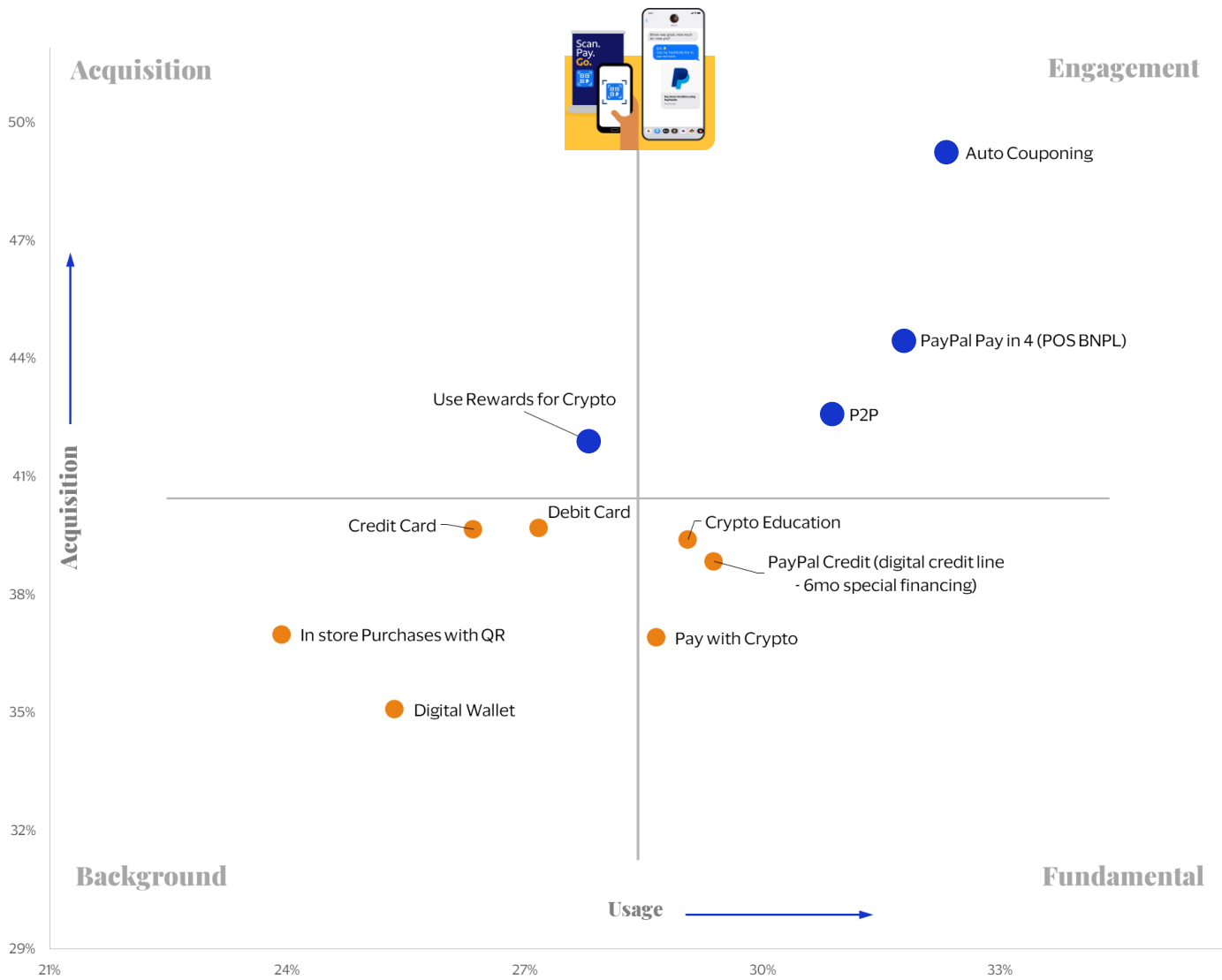
LEGEND

● Noteworthy strategies
(warrant consideration for novae product roadmap)



PayPal | Why They Like It

MILLENNIALS



Founded 1999
Went public 2002



Background: A 20+ year evolution from digital wallet to a financial Super App, reporting **426M users globally** & 30M merchants in 2021. PayPal is the #3 most downloaded Finance app on Android (#2 on Apple).

Path from Digital Wallet to Super App

- Three of the larger PayPal acquisitions define the consumer facing value proposition:
 - 2008 Bill Me Later (\$945M) – rebranded as PayPal Credit
 - 2013 Venmo via Braintree (\$800M)– driving acquisition with younger consumers
 - 2019 Honey (\$4B) – auto couponing / browser extension for online shopping
- While the Digital Wallet is the foundation, the elements that stand out for consumers are as follows:
 - Auto couponing / cash back rewards
 - Pay in 4 / POS BNPL (introduced 2020)
 - P2P
 - Use rewards for crypto (introduced Aug 2021 via Venmo)

LEGEND

- Noteworthy strategies
(warrant consideration for novae product roadmap)



Klarna | Why They Like It

MILLENNIALS



Founded in 2005
Launched in U.S. 2015
\$3.7B in funding



Background: At the time of launch, consumers were still getting used to online shopping. Klarna was founded as an option to help consumers try online purchases while minimizing the risk of paying for something that they don't like.

Path from BNPL to Super App

- Launched with a 'Pay 30 Days Later' BNPL offering.
- Expanded to offer flexibility with '6-36 month financing' options, as well as simplicity of 'Pay in 4'.
- Transitioning to a Marketplace App, that is designed to change how consumers shop.
- Launched an in-house loyalty program, Vibe.
- In Feb 2022, introduced a physical BNPL Card to the US (waitlist only). The card empowers consumers to 'Pay in 4' for any in-store or online transaction where Visa is accepted.
- In March 2022, Klarna's CMO makes it clear that Klarna is no longer a BNPL company, but instead a "global retail bank and one-stop e-commerce shop"

Notice, that Klarna's emerging marketplace has the highest potential for attracting new customers.

LEGEND

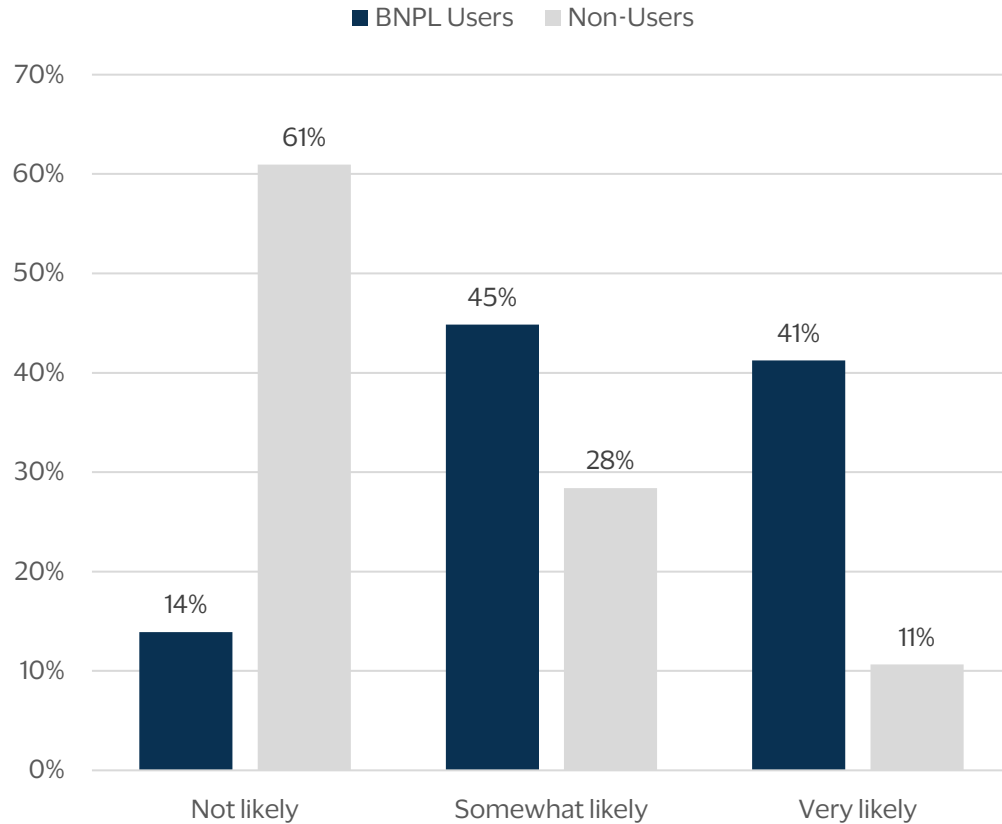
- Noteworthy strategies (warrant consideration for novae product roadmap)



Buy Now, Pay Later is Addictive, But Loyalty is Low

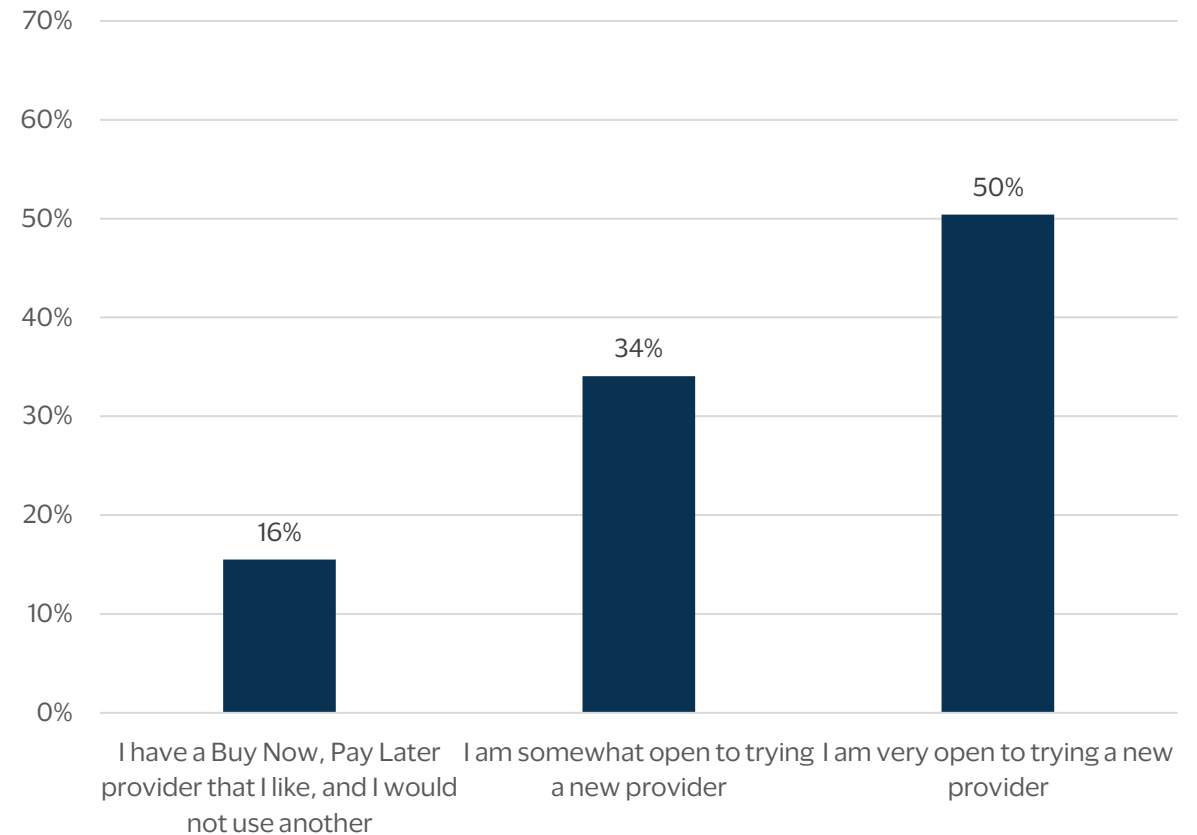
Once consumers try BNPL for the first time, they are much more likely to use BNPL again. However, loyalty to a specific BNPL provider is low, with 80%+ indicating that they are open to trying a new BNPL solution. This could be why Klarna does not want to become a BNPL company.

How likely are you to use a Buy Now, Pay Later provider to complete a purchase in the next 6 months?



How open are you to trying a new Buy Now, Pay Later provider to complete an online purchase in the next 6 months?

- Base Used BNPL in the last 6 months -



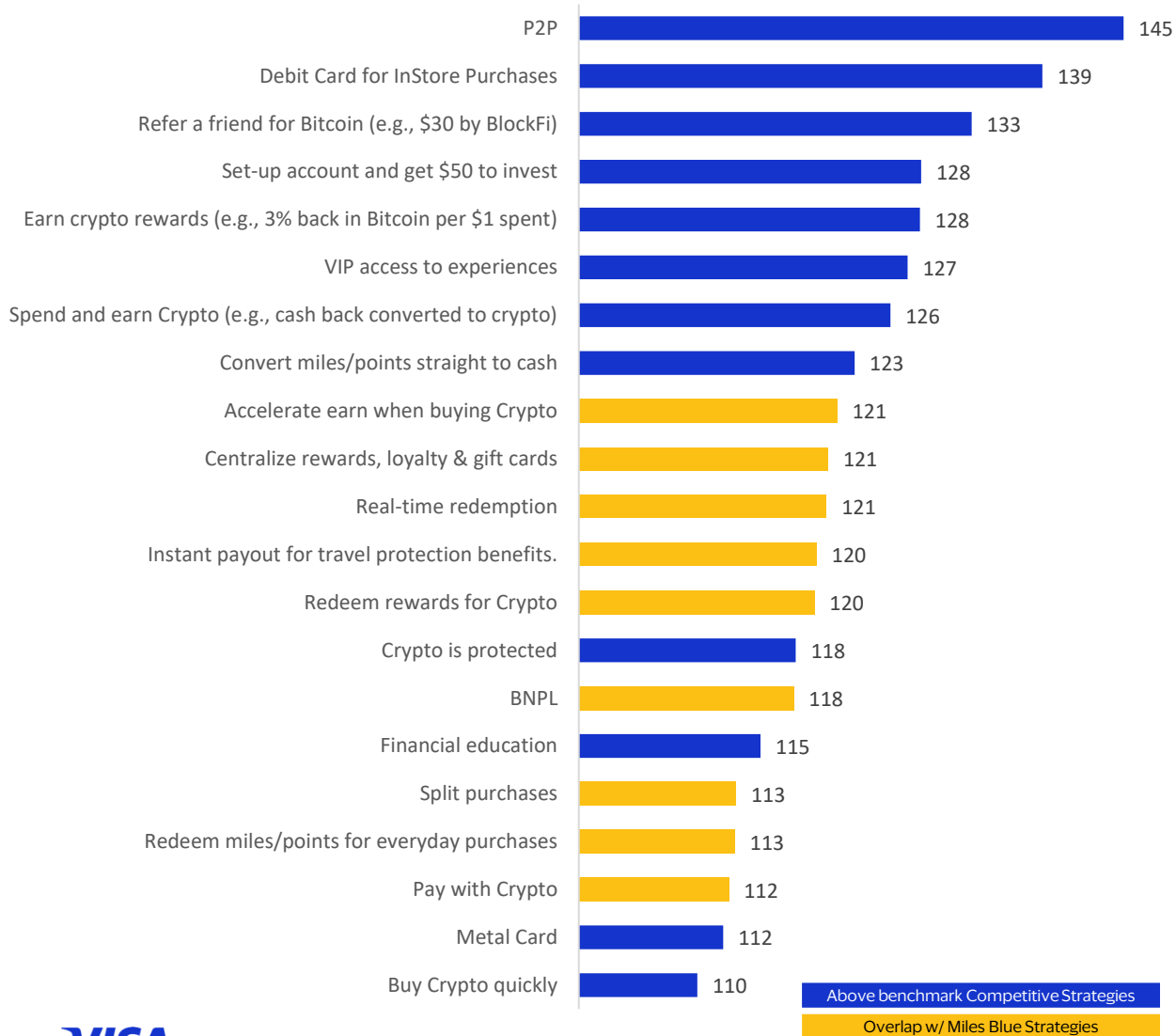
Top Performing Market Features and Benefits



Impactful Features from Direct Competitors

MILLENNIALS

Top Performing Benefits
Index > 100 is above Market Benchmark



Includes Features From:



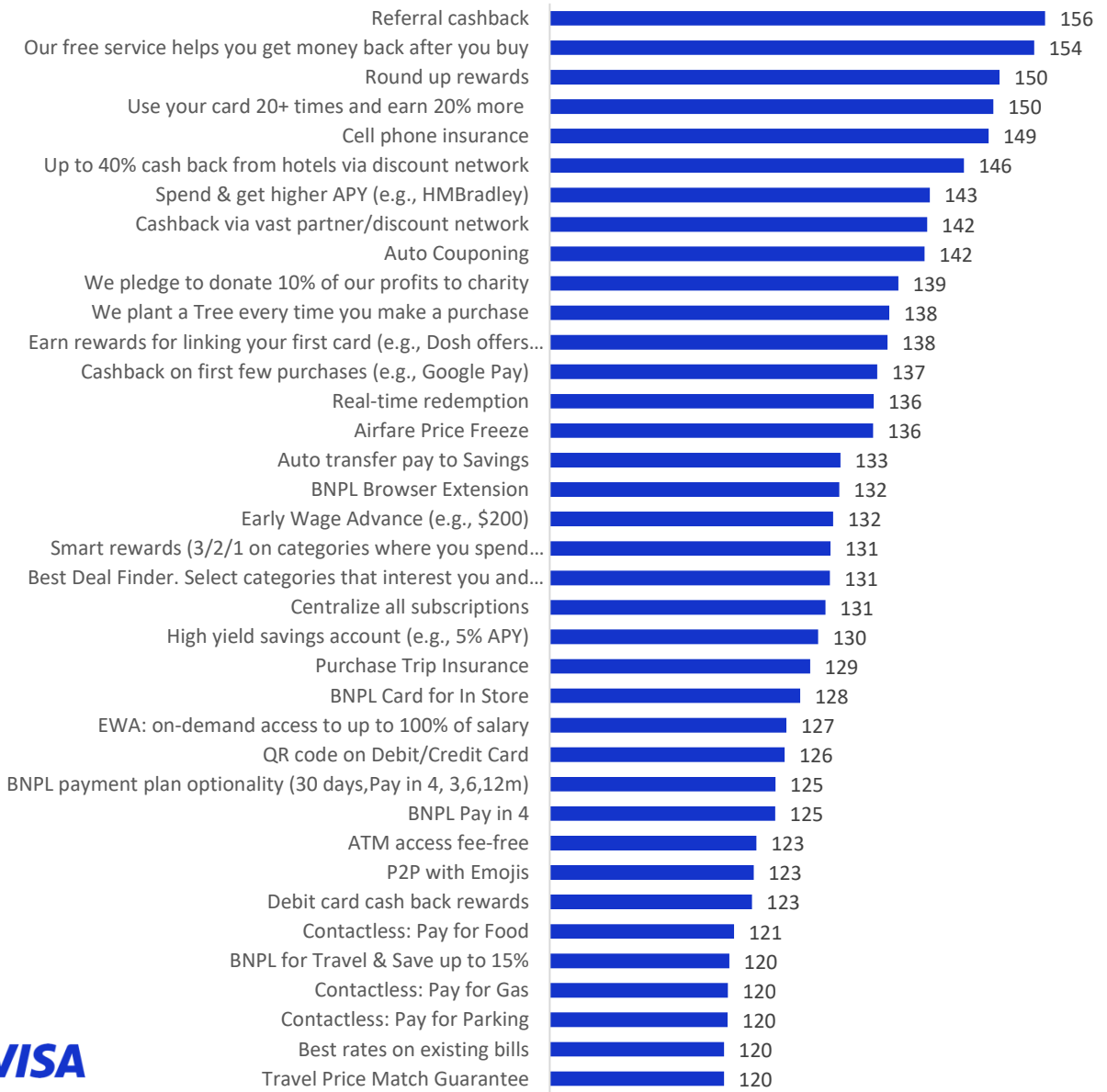
When looking at providers who compete in the investment/crypto space/digital wallet space, the following helps drive engagement:

- Introducing a social finance component (e.g., P2P)
- Offering a debit card in addition to a prepaid card
- Introducing referral and relevant intro bonus strategies
- Offering increased optionality for redemption, including ability to withdraw cash

Additional Features for Consideration

MILLENNIALS

Top Performing Benefits
Index > 100 is above Market Benchmark



Data Source: Pi-360 Market Analytics

Includes Features From:



Includes TFG Innovation Concepts

When looking at a broader mix of Fintech providers + innovative concepts evaluated by The Futurist Group, the following incremental strategies emerge:

- Offering cashback referrals
- Offering easy/attainable deals (e.g., a mechanism that automatically tracks purchases after they are made and offer price drop protection, and/or auto couponing)
- Offering Rewards acceleration with increased usage
- Linkage to Savings (i.e., ability to grow wealth)
- Features/rewards that connect to Social Good/Impact

novae Benefit Preferences At A Glance

- Instant Redemption is universally important across segments.
- BNPL is more important for lower income consumers.
- Instant Payout for Travel Protection Benefits is the most important element for Mass Affluent and Miles/Points cardholders.
- Unsurprisingly, for those who want to buy Crypto, the ability to exchange Miles for Crypto is the most important benefit.

Top Ranking Benefits

- Based on Impact on Acquisition & Usage -

	All Consumers	Millennials	Gen X	Mass Market	Mass Affluent	Miles/Points Cardholders	Difficulty Redeeming Rewards	Want to Invest in Crypto
Use Rewards Instantly. Tap your phone at the register & use your rewards	1	1	1	1	2	2	1	2
Buy now, pay later.	4	2	2	2	10	8	6	4
Instant payout for travel protection benefits.	3	3	5	5	1	1	5	5
Earn up to 5X miles in bonus rewards when shopping, booking travel and buying crypto	2	4	4	3	3	3	3	3
Combine your credit card, debit card, and loyalty rewards into one digital currency.	7	5	6	7	4	4	2	6
Split Purchases. Choose to pay with your rewards and the rest with your credit card, debit card or crypto	5	6	3	4	7	5	4	7
Spend Miles on everyday purchases	6	7	7	6	5	6	9	8
Exchange Miles to buy more than 150 cryptocurrencies, in-app through Coinbase.	11	8	9	10	12	12	8	1
Preferred Deals. Earn miles and get special deals at merchants across 15 categories	8	9	8	8	8	9	10	9
Buy Enhanced Travel & Purchase Insurance.	9	10	11	9	9	7	7	10
Use Miles to book travel with preferred rates and enjoy exclusive benefits	12	11	12	12	6	10	11	11
Use Miles to shop at over 70 million merchants around the world	10	12	10	11	11	11	12	12

Top 5 Impact on Acquisition & Usage

Key Opportunity 1: Elevate Rewards Redemption

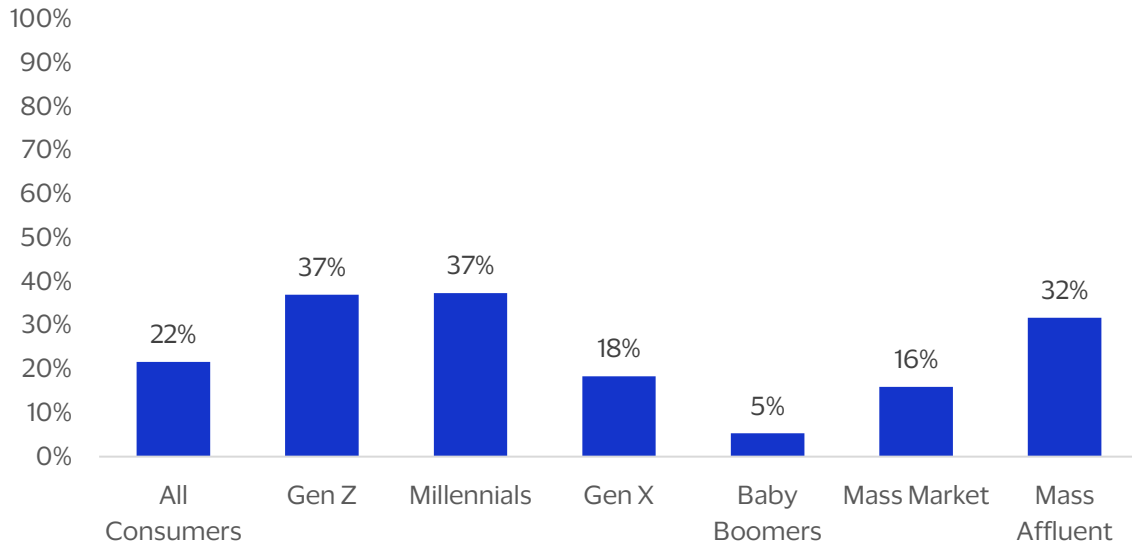


The Pain of Rewards Redemption

The MilesBlue value proposition is appealing to U.S. consumers and would alleviate existing redemption pain points

- Nearly 4 out of 10 Millennials with a rewards credit card have experienced difficulties redeeming rewards in the past 12 months
- Nearly 8 out of 10 of these consumers have reduced their credit card spend as a result of this bad experience

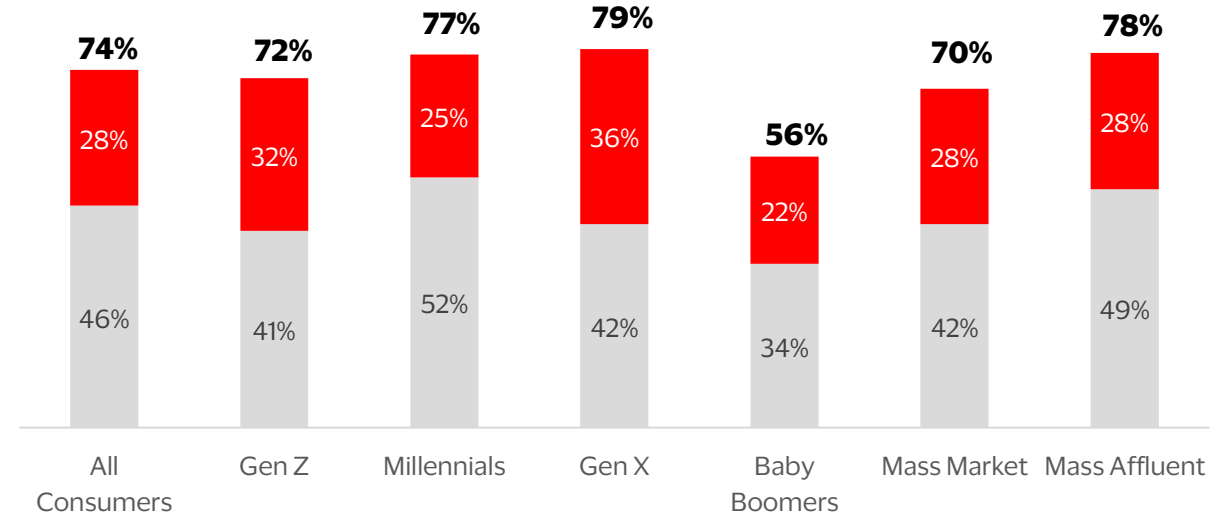
Incidence of Bad Experience w/ Redemption in p12m
- Base Have A Rewards Credit Card -



Projected out to total U.S. population (incl. those who do not have a credit card)
~15% of U.S. consumers have experienced difficulties redeeming rewards

Impact of Bad Redemption Experience
- Base Have Experienced Difficulties Redeeming in p12m-

■ I use the card less frequently ■ I stopped using the card all together



How Consumers Want Rewards Redemption Improved

There are several issues plaguing the redemption process. Generally, consumers want more redemption options, as well as a faster and easier process.

Thinking about the last few times that you have redeemed your credit card rewards, what are the key areas where you would like your bank to improve?

- Base Have A Rewards Credit Card -
- Millennials -

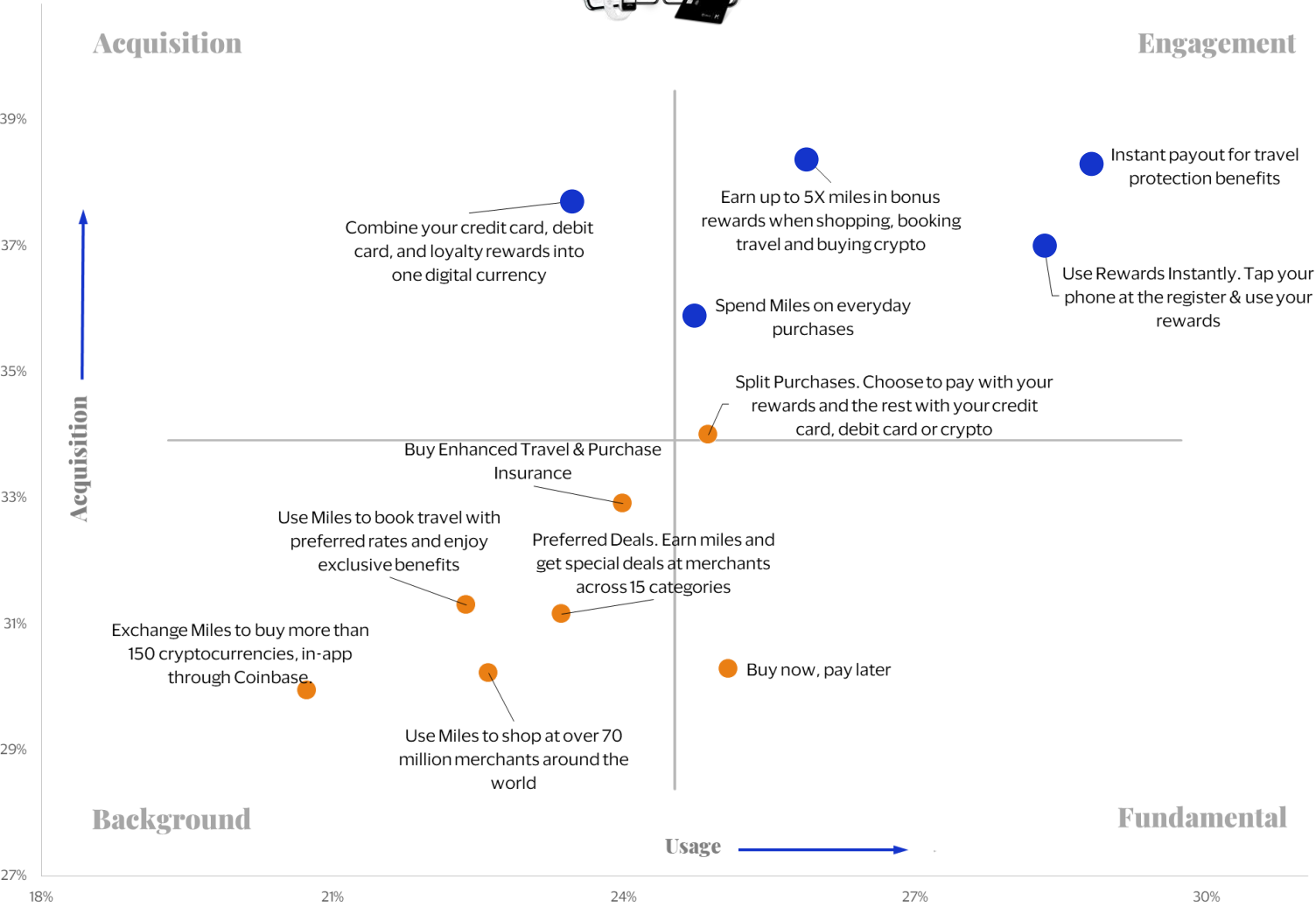
		All Consumers	Gen Z	Gen X	Baby Boomers	Mass Market	Mass Affluent	Miles/Points Cardholders
Option to combine rewards with other pymnt options	29%	24%	30%	27%	16%	21%	28%	27%
Be able to redeem my rewards faster	28%	22%	23%	24%	16%	22%	21%	21%
More options how I can use my rewards	27%	22%	21%	26%	17%	22%	21%	24%
Redemption process to be easier	25%	20%	25%	20%	14%	19%	21%	21%
Notified proactively about what I can get with my rewards	21%	14%	20%	11%	7%	10%	20%	18%
Use my rewards for BNPL purchases	21%	13%	19%	16%	3%	12%	15%	15%

Top 2

3 elements highlighted if there is a tie

MilesBlue | Why They Like It

MILES/POINTS CARDHOLDER



Population Size: 42%
Interest in novae: 40% vs. 32% for Norm

Earn while you redeem, instant redemption, and ability to spend miles for everyday purchases addresses pain points that exist with traditional credit card providers.

In addition, 'Instant Payout for Travel Protection Benefits' rises to the top for Miles/Points cardholders.

LEGEND ● Noteworthy strategies (Top 5 Drivers of Acquisition & Usage)









Redemption Purpose by Segment

As we think about how to improve the MilesBlue product, we need to consider that a significant portion of Millennials (and other segments) want the option to convert rewards to Cash.

Which of the following do you prefer most when redeeming rewards?

- Base Have A Rewards Credit Card -

- Millennials -

		All Consumers	Gen Z	Gen X	Baby Boomers	Mass Market	Mass Affluent	Miles/Points Cardholders
I prefer to convert rewards to cash	 34%	38%	23%	38%	46%	40%	34%	30%
To book travel	 16%	18%	13%	15%	24%	15%	24%	27%
To get discounts on purchases and gifts	 14%	13%	17%	15%	9%	12%	13%	13%
To indulge myself	 12%	10%	14%	10%	6%	10%	9%	11%
To get access to exclusive experiences	 11%	6%	14%	4%	1%	5%	8%	7%
No preference	 13%	15%	19%	17%	14%	12%	15%	19%

Top 2

3 elements highlighted if there is a tie













Redemption Category Preferences by Segment

When juxtaposed against mainstream redemption options, using rewards to buy crypto is a niche opportunity. This is not surprising, given that ~17% of the U.S. population currently own crypto and 34% would like to invest in crypto in the next 12 months.

What type of purchases would you like to use your rewards for?

- Base Have A Rewards Credit Card -

- Millennials -

		All Consumers	Gen Z	Gen X	Baby Boomers	Mass Market	Mass Affluent	Miles/Points Cardholders
Shopping (merchandise)	 26%	25%	22%	28%	22%	26%	22%	25%
Fuel	 24%	18%	21%	20%	11%	20%	13%	17%
Statement credits or check (i.e., cash back)	 22%	25%	8%	23%	34%	25%	24%	22%
Hotel	 20%	18%	19%	16%	20%	16%	23%	24%
Airline	 18%	21%	16%	19%	28%	17%	28%	32%
Dining	 17%	16%	19%	14%	14%	16%	15%	16%
Transfer into savings / investments	 16%	15%	20%	15%	12%	16%	14%	13%
Use my rewards to buy crypto	 16%	9%	10%	12%	3%	9%	10%	9%
Entertainment (e.g., concert, sports, etc.)	 15%	11%	25%	12%	3%	10%	12%	12%
Vacation Home Rental	 11%	10%	18%	11%	5%	9%	11%	11%
VIP Experiences (e.g., tickets, events, etc.)	 10%	6%	12%	5%	2%	5%	9%	8%
Donate to Charity	 9%	6%	12%	6%	2%	6%	7%	7%

Top 3



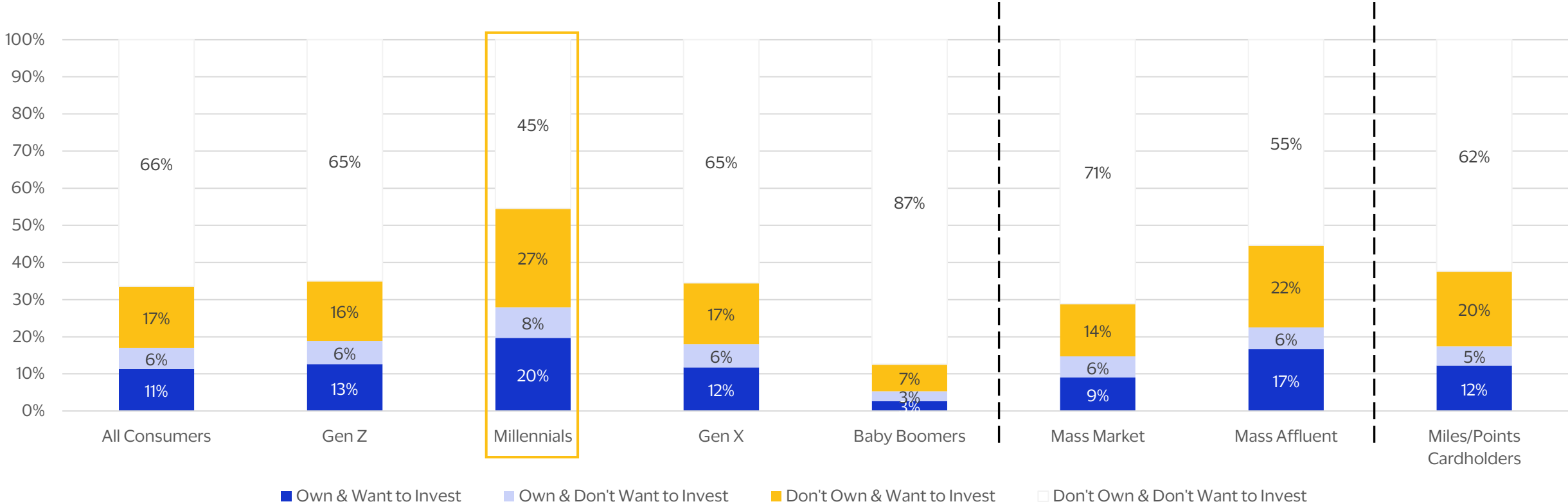
Key Opportunity 2: Cater to Crypto Seekers



Crypto Investments

Approximately 17% of U.S. consumers are invested in Crypto, with heightened prevalence among Millennials.

Crypto Investment & Plans for n12m

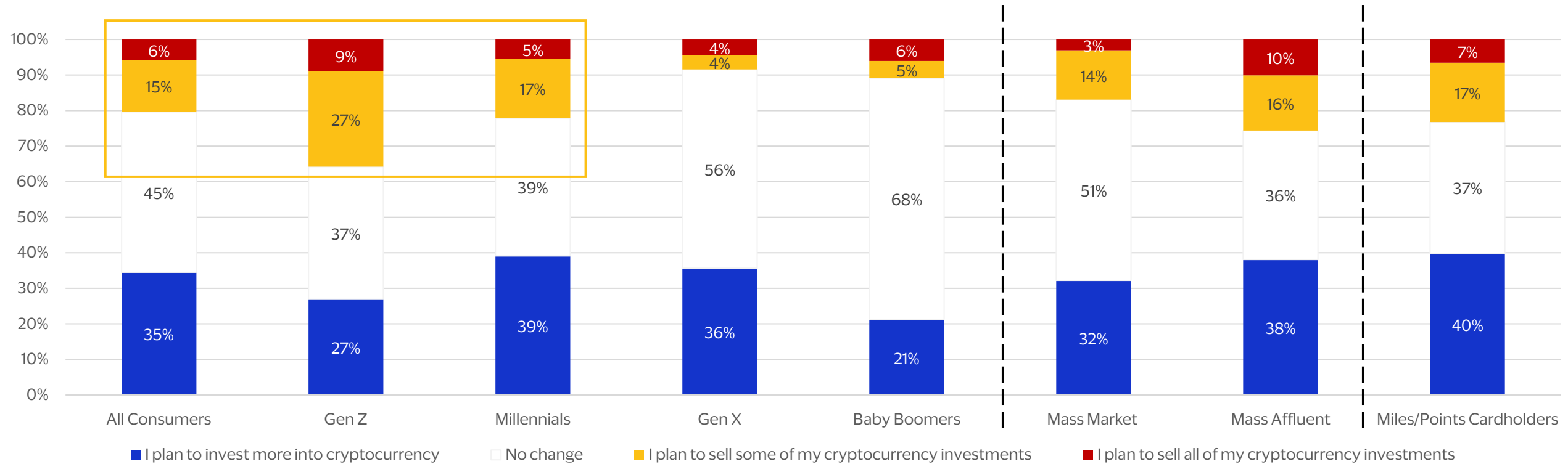


Impact of Ukraine Conflict on Crypto Investments

Recent geopolitical events have introduced some uncertainty in Crypto investments, particularly among younger investors.

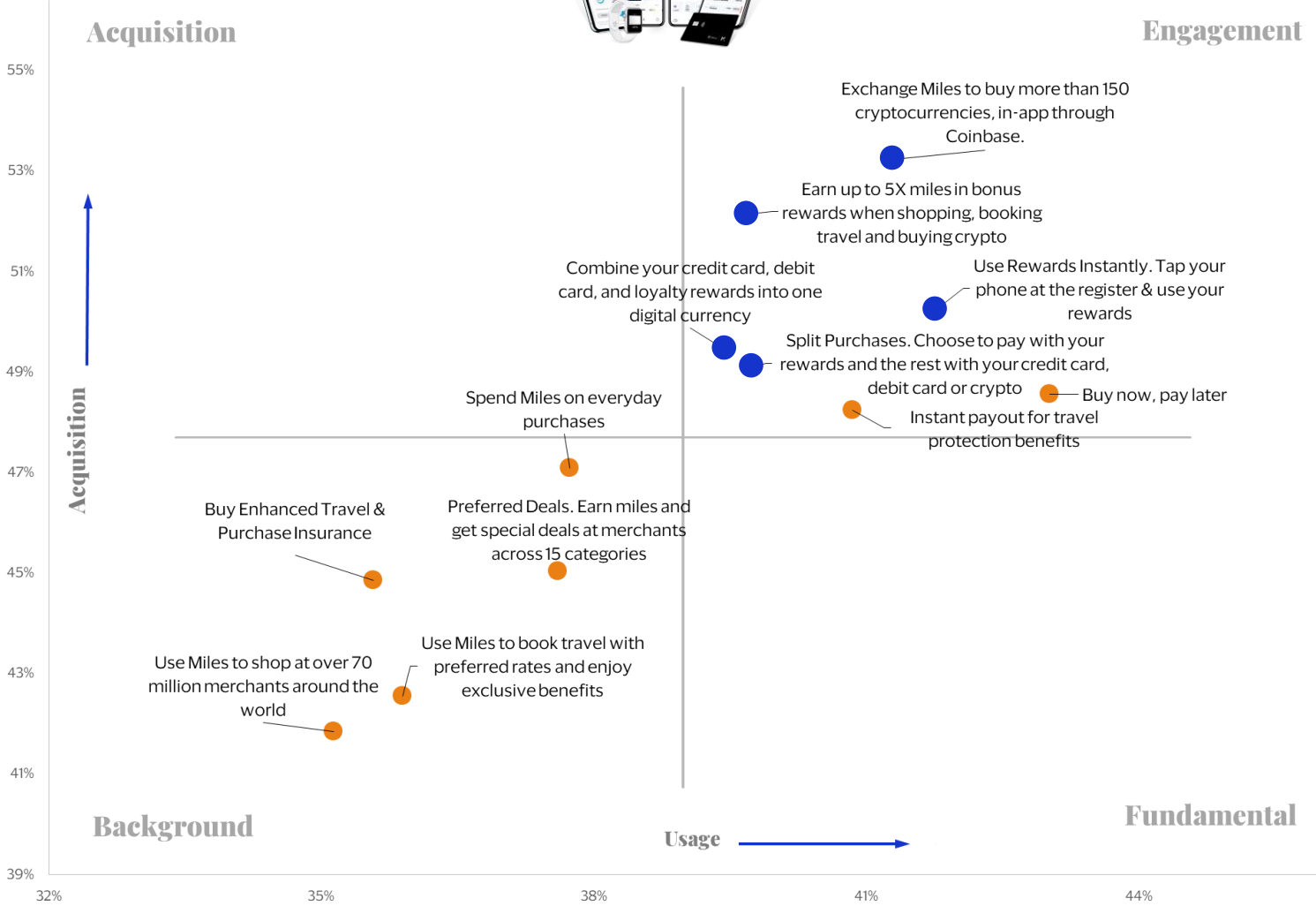
How has the current conflict in Ukraine impacting your attitude about investing into cryptocurrency?

- Base Currently Invest In Crypto -



MilesBlue | Why They Like It

WANT TO INVEST IN CRYPTO



Population Size: 28%
Interest in novae: 59% among Own & Want to Invest
 64% among Don't Own but Want to Invest] vs. 32% for Norm

Not surprising, ability to exchange miles for Crypto gains importance among consumers who want to invest in crypto in the next 12 months.

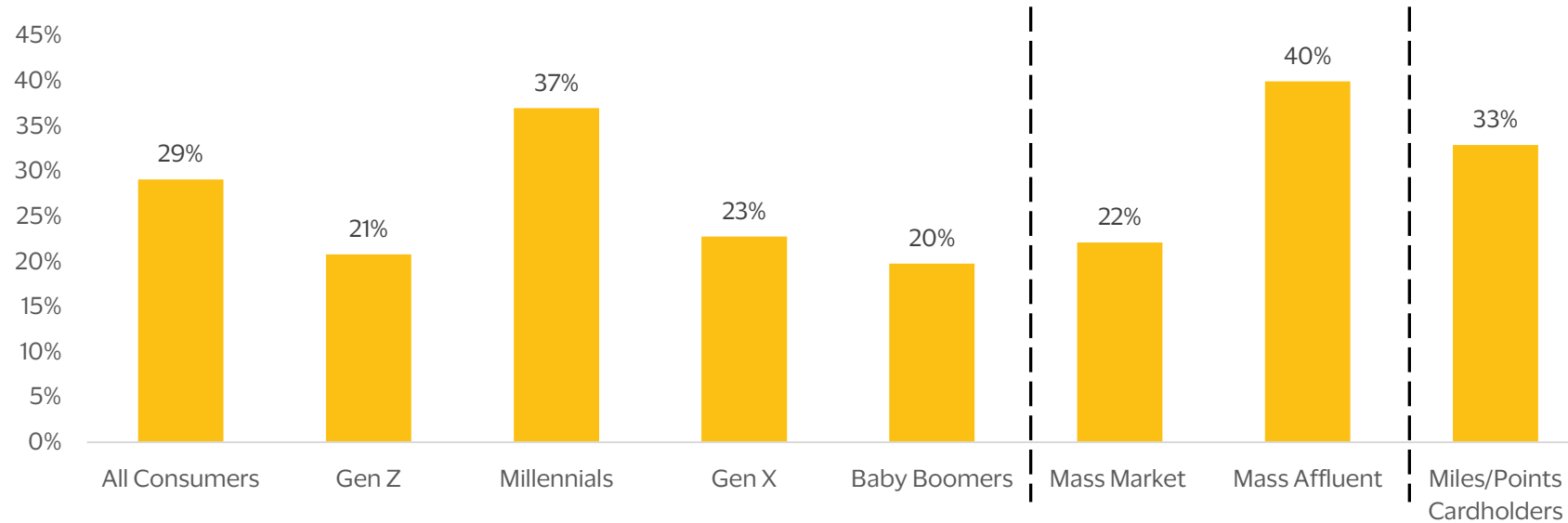
LEGEND
 ● Noteworthy strategies (Top 5 Drivers of Acquisition & Usage)



Using Crypto for Purchases

A sizeable portion of U.S. consumers see the potential of using crypto as a payment method.

Interested in Using Crypto to Make a Purchase in n12m
- Base Currently Invest In Crypto -



Barriers to Using Crypto For Purchases

While expectations of outsized returns on investments are the biggest barrier to using crypto for purchases, lack of education is a significant barrier for most consumers (i.e., for ~50% of Millennials uncertainty about fees, tax implications, and acceptance are barriers)

What prevents you from using cryptocurrency to pay for purchases?

- Base Currently Invest In Crypto -
- Millennials -

		All Consumers	Gen Z	Gen X	Baby Boomers	Mass Market	Mass Affluent	Miles/Points Cardholders
I want to hold on as I think it will grow in value	34%	34%	40%	39%	16%	35%	34%	37%
I think I would have to pay too much in fees to make purchase with crypto	17%	14%	13%	10%	10%	10%	20%	18%
I don't own enough to buy things with it	15%	19%	17%	23%	32%	23%	12%	14%
I am not sure what the tax implications	12%	11%	12%	8%	9%	11%	11%	11%
I don't think crypto is accepted as a payment option where I shop	12%	11%	8%	10%	15%	10%	13%	11%
I don't know how to use crypto to make a purchase	8%	9%	6%	9%	13%	9%	8%	8%

Top Reasons

If They Made Purchases Using Crypto, What Would They Buy?

Everyday purchases, remittances, and buying a car are the most appealing Crypto purchasing use cases for Millennials.

What kind of purchase or transaction would you like to make with cryptocurrency?

- Base Currently Invest In Crypto & Want To Use for Purchases - Millennials -

		All Consumers	Gen Z	Gen X	Baby Boomers	Mass Market	Mass Affluent	Miles/Points Cardholders
Everyday purchases (e.g., groceries, gas, etc.)	45%	44%	21%	49%	71%	52%	36%	36%
Send crypto to friends or family	42%	32%	27%	16%	11%	29%	36%	36%
Pay for a car	39%	39%	33%	47%	28%	45%	33%	37%
Buy clothing	37%	33%	29%	29%	11%	32%	33%	35%
Buy real estate	33%	33%	41%	24%	37%	34%	31%	38%
Book travel	28%	24%	22%	17%	11%	18%	30%	31%
Buy jewelry	25%	25%	9%	40%	11%	23%	27%	26%

Top 2

Apps For Crypto Purchasing

Coinbase owns a significant portion of market share. Older consumers are more likely to use traditional channels to buy crypto (e.g., brokerage accounts).

Which of the following apps do you use to buy and sell cryptocurrency? - Base Currently Invest In Crypto - - Millennials -

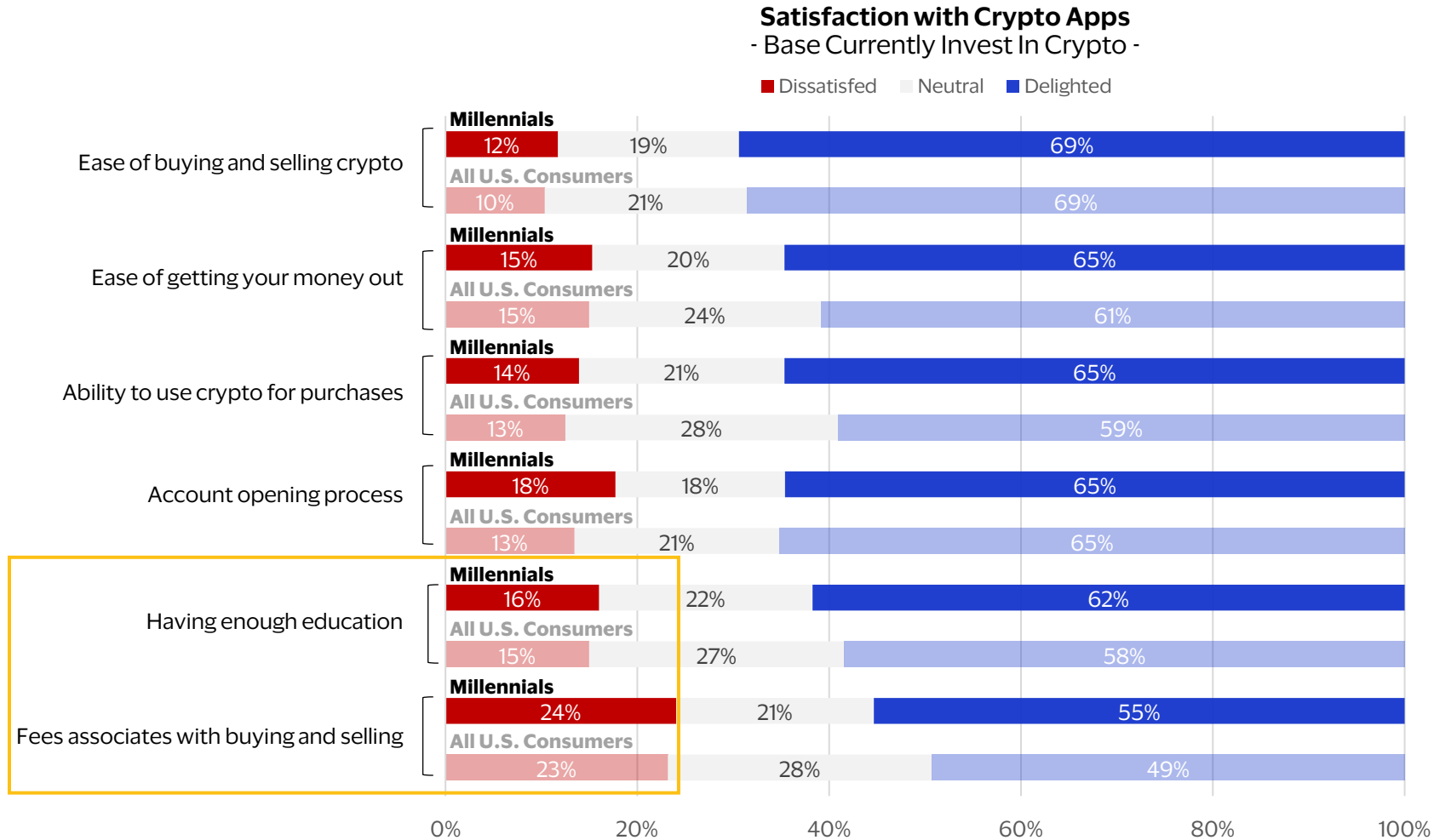
		All Consumers	Gen Z	Gen X	Baby Boomers	Mass Market	Mass Affluent	Miles/Points Cardholders
Coinbase	52%	47%	30%	47%	51%	50%	42%	43%
PayPal	32%	30%	23%	32%	28%	28%	33%	31%
crypto.com	31%	25%	29%	18%	2%	21%	31%	32%
CashApp	26%	24%	20%	28%	11%	24%	24%	23%
Venmo	16%	13%	13%	10%	4%	10%	16%	16%
Gemini	14%	11%	10%	7%	8%	9%	14%	16%
BlockFI	13%	8%	7%	2%	1%	7%	10%	11%
Bakkt	9%	6%	3%	5%	4%	5%	9%	10%
Other app	12%	17%	20%	17%	41%	21%	11%	12%



Top 3

Satisfaction with Existing Crypto Apps

Fees and not having enough education are the biggest drivers of dissatisfaction with mainstream crypto apps (i.e., Coinbase, PayPal, crypto.com)

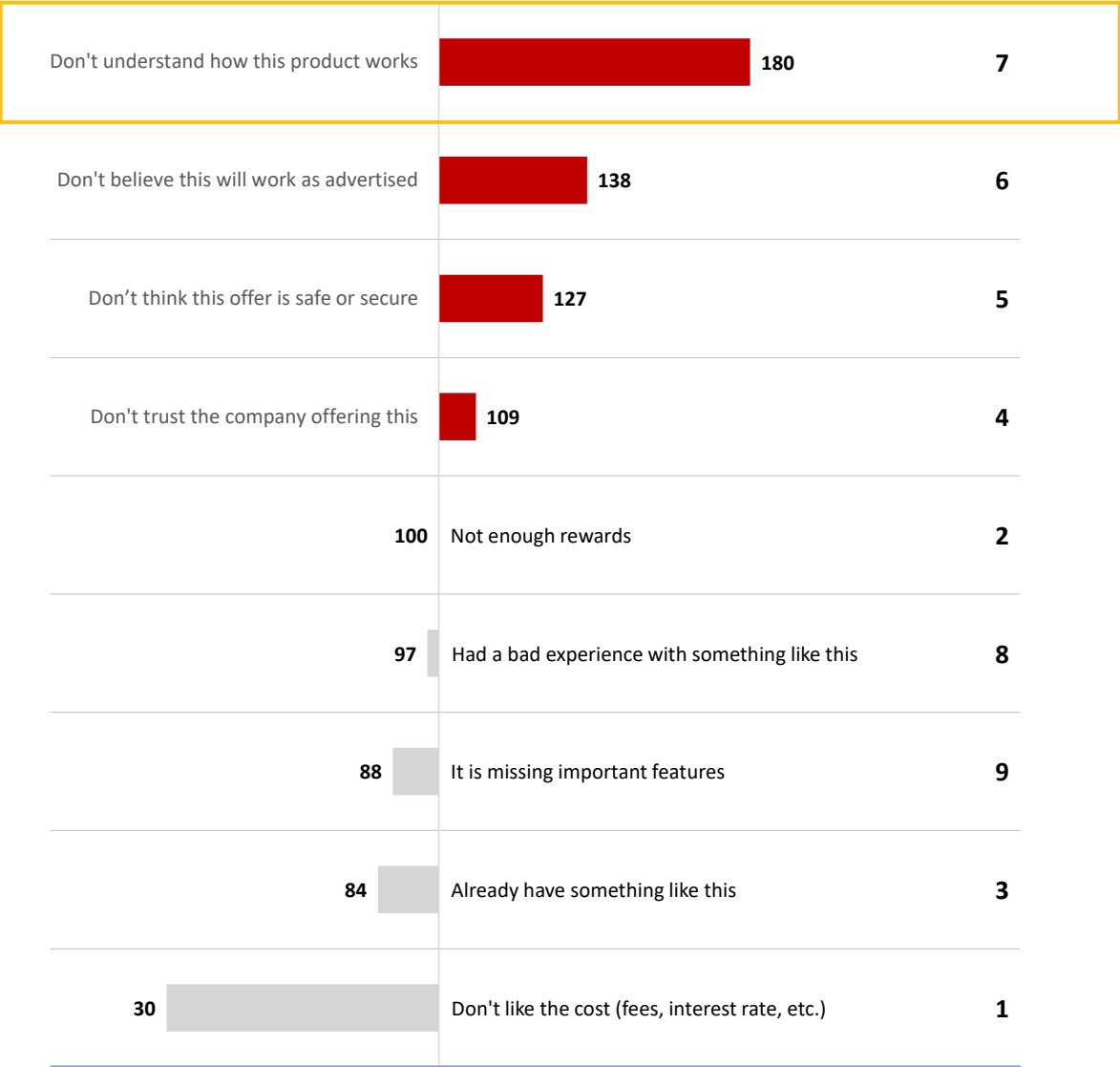


Consideration: Barriers to Adoption



MilesBlue | Consideration: Barriers to Adoption

Top Barrier Rank for All Payments Products in U.S.



The “novelty factor” will be the top barrier to adoption for MilesBlue.

Successful marketing will require educating consumers and leveraging success in prior markets as a way of establishing credibility.



0.5x as likely Industry Norm 1.5x as likely 2x as likely

Data Source: Pi-360 Market Analytics

Appendix



Insights

32% of U.S consumers are interested in the MilesBlue proposition, a market opportunity of ~80 million consumers.

MilesBlue Target Audience is comprised of several segments:

Core Target

- Millennials (25-39 y.o.)
- Mass Affluent (\$100K+ in HHI)

High Impact Opportunity

- Miles/Points cardholders, particularly those who have issues with a traditional redemption process and options (64% of these consumers are interested in MilesBlue)
- Crypto owners/seekers (59% of these consumers are interested in MilesBlue)

Rewards Redemption is a significant pain point for Millennials. 37% have experienced difficulties redeeming rewards, and nearly 80% have reduced their spend on that credit card as a result.

It's not one issue that plagues the redemption process for consumers. Consumers want more options (i.e., ability to combine rewards with other payments, more things to redeem for, ability to redeem for cash) coupled with a faster and easier process.

Of the segments examined, crypto ownership is highest among Millennials (28%).

While 37% of Millennials are interested in using crypto for purchases, lack of education is a significant barrier for ~50% (i.e., uncertainty about fees, tax implications, and acceptance)

Features that Consumers Want

MilesBlue

Preferences for top benefits are consistent across target segments:

- Instant Redemption, Earn 5X while redeeming, Instant Payout for Travel Protection Benefits, BNPL, and Option to Split Purchases across payment methods

Additional features based on Market Analysis

- Introducing a social finance component (e.g., P2P)
- Extending from prepaid to a debit card
- Introducing referral and relevant intro bonus strategies
- Offering increased optionality for redemption, including ability to withdraw cash
- Offering easy/attainable deals (e.g., a mechanism that automatically tracks purchases after they are made and offer price drop protection, and/or auto couponing)

& Implications

The opportunity for Novae MilesBlue spans multiple addressable segments. Targeting should focus on Millennials as a core segment.

In addition, there is a messaging opportunity in addressing pain points associated with Rewards Redemption & the untapped desire to use crypto as a payment option.

Building a product focused on Millennials will address the needs of all sub-segments. Product Roadmap should consider additional features that will increase engagement.

Product Description

MilesBlue Super App & Virtual Visa Card

Maximize Your Rewards. Combine your credit card, debit card, and loyalty rewards into one digital currency – Miles.

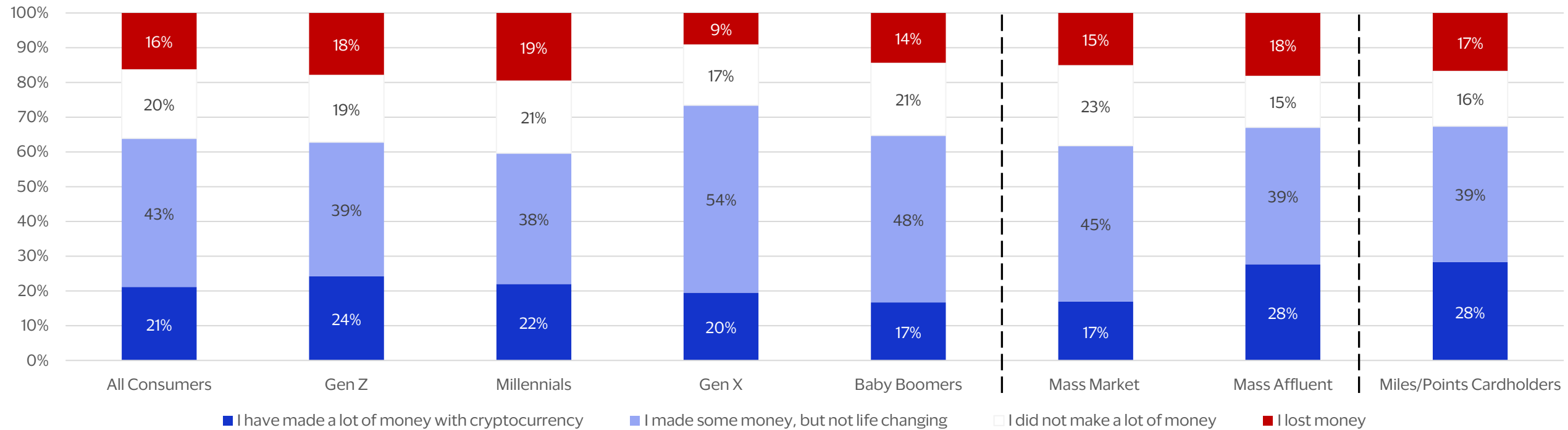
- Use Miles to shop at over 70 million merchants around the world.
- Use Miles to book travel with preferred rates backed by Priceline.com and exclusive benefits for over 28 million destinations.
- Exchange Miles to buy more than 150 cryptocurrencies, in-app through Coinbase.
- Spend Miles on everyday purchases at any online or physical store that accepts Visa credit cards.

Earn More Rewards. Earn up to 5X miles in bonus rewards when shopping, booking travel and buying crypto, even when spending rewards points.

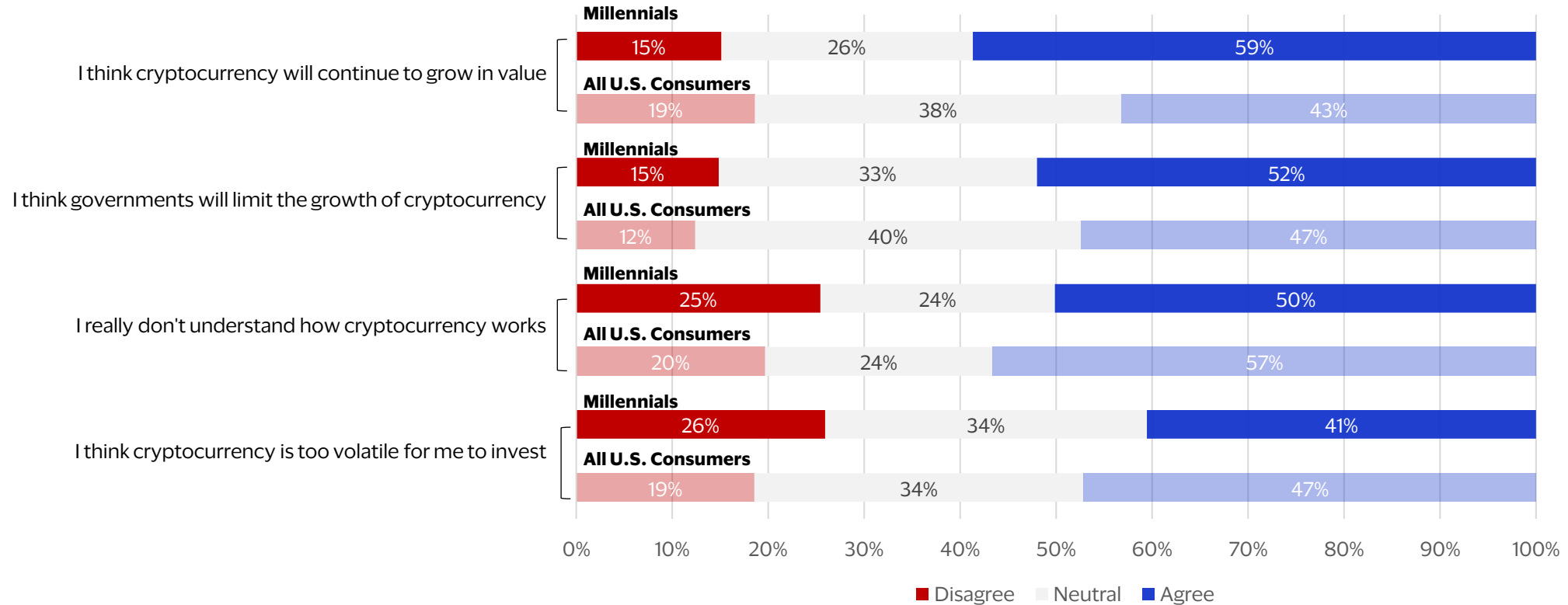
Use Rewards Instantly. At any local store just tap your phone at the register & use your rewards to make a contactless purchase wherever Visa is accepted.

#	Features
1.	Maximize Your Rewards. Combine your credit card, debit card, and loyalty rewards into one digital currency – Miles.
2.	Use Miles to shop at over 70 million merchants around the world.
3.	Use Miles to book travel with preferred rates backed by Priceline.com and exclusive benefits at more than 28 million destinations.
4.	Exchange Miles to buy more than 150 cryptocurrencies, in-app through Coinbase.
5.	Spend Miles on everyday purchases at any online or physical store that accepts Visa credit cards.
6.	Earn More Rewards. Earn up to 5X miles in bonus rewards when shopping, booking travel and buying crypto, even when spending rewards points.
7.	Use Rewards Instantly. At any local store just tap your phone at the register & use your rewards to make a contactless purchase wherever Visa is accepted.
8.	Split Purchases. Choose to cover some of the purchase with your rewards and the rest with your credit card, debit card or crypto – all in one screen and just a few clicks.
9.	Preferred Deals. Earn miles and get special deals at merchants across 15 categories like Travel, Electronics, Fashion, Home Goods, Groceries, and more.
10.	Buy now, pay later. Choose to pay for any purchase over time with interest free, equal installments. (e.g., a \$100 purchase can be paid over 4 months in \$25 interest free payments.)
11.	Buy Enhanced Travel & Purchase Insurance. Up to \$2M in Medical Assistance, including Covid coverage. Up to \$2K in lost / delayed luggage. Trip Cancellation Interruption Insurance. Emergency evacuation coverage. Up to \$2.5K in purchase protection.
12.	Instant payout for travel protection benefits. Your flight got cancelled, and you had unexpected expenses? Get instant payout on covered expenses deposited into your app.

How would you evaluate your cryptocurrency investments to date?
 - Base Currently Invest In Crypto -



Consumer Attitudes About Cryptocurrency



About Pi-360



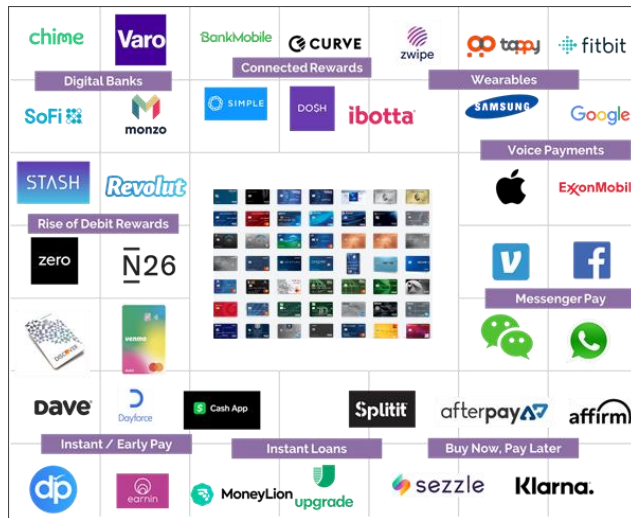
Product & consumer analytics for the entire Payments market

We collect consumer data on every Core & Fintech innovation in Payments, so that you can...
 Shorten product lifecycles | Avoid repeating other people's mistakes | Develop features that customers love



Resulting data cube is accessible via real-time **analytics that identify the right product strategy, for your customer segments**

Always growing Competitive Intel database captures product strategies employed by **every** major Payments **product from banks, co-brands, and Fintechs**



Every week consumers provide structured feedback on products & features in our database

400+
 PAYMENT PRODUCTS REVIEWED BY U.S. CONSUMERS TO DATE

3M+
 CONSUMER PAYMENT FEATURE EVALUATIONS

70+
 CONSUMER SEGMENTS TAGGED FOR IN-MOMENT ANALYSIS

Consumers also provide feedback on **innovative new concepts, spend data + more**

230K+
 EVALUATIONS OF INNOVATIVE PAYMENT CONCEPTS

60K+
 CONSUMERS PROVIDING SPEND & CARD OWNERSHIP DATA

40K+
 CONSUMERS SHARING TRAVEL PLANS

