Flybits Recognized for

2021

Product Leadership

Global Customer Experience
in Financial Services Industry
Excellence in Best Practices

FROST *&* SULLIVAN

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Flybits excels in many of the criteria in the customer experience in the financial services space.

AWARD CRITERIA

Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Company Background

Flybits was founded in 2013 on the belief that data is the digital economy's most valuable asset and can enhance people's lives in powerful ways: helping them connect to loved ones, make better decisions, and filter out unwanted noise. Guided by this belief, Flybits helps financial institutions (FIs) to bring the power of data to life. The company enables FIs to transform customer data into one-of-a-kind personalized experiences by launching predictive and contextual digital recommendations, all at scale. The result is relevant, timely, and engaging customer experiences that are attuned to their individual lives — and that keep them coming back. Flybits allows FIs to better connect with customers on their mobile channels with a series of privacy-preserving recommendation templates for banking, wealth, insurance, cards, loyalty services, and more.

> *"Flybits' end-to-end, enterprise-level platform manages the information technology (IT) complexities of data science, hyper-personalization, and contextualization so that clients can create and implement experience design use cases easily."*
>
> **- Jeffrey Castilla, Best Practices Research Team Leader**

Born out of a university research lab, Flybits continues to advance its systems and services through key intellectual properties that incumbent technology cannot duplicate. The company launched at a time when computing devices were becoming more powerful, pervasive, and mobile, and consumers were being bombarded with information. The founding team at Flybits saw an opportunity to apply context to

data and bring relevancy to the information that surrounds us. They created an out-of-the-box solution to allow organizations to deliver context-aware, personalized products and services to their customers.

Flybits' end-to-end platform has seen tremendous success and steep growth over the years and its clients have experienced the results first-hand with their customers:

- ➢ **151%** increased digital adoption
- ➢ **250%** increased customer engagement
- ➢ **312%** increased offer redemption

The company's founder and CEO, Hossein Rahnama, has been recognized as a top global AI CEO for 2020 and as one of MIT's Global TR35 Group. Flybits has received several awards, including Frost & Sullivan's prestigious Global Technology Innovation Leadership Award in 2019. Never resting on its laurels, the company has continued developing and refining its product portfolio to drive extreme innovation, efficiency, and customer value. Flybits is supported and funded by some of the world's most recognized institutions, including Mastercard, Citi, Westpac, TD, Vodafone, Bosch, and Point 72 Asset Management.

The Competitive Landscape

Partnering with financial technology (fintech) companies is not a passing trend in financial services. It's a permanent fixture in the sector now, part of the technological revolution that is changing the future of banking. When evaluating the competitive landscape in the customer experience space, Frost & Sullivan identified three categories of technology players:

1) Enterprise software organizations – large, multi-sector technology companies that support several different functions, including CRM, customer engagement, and analytics.

2) Point solutions / Personal Finance Management (PFM) – budgeting tools that pre-process transactional data, helping customers to better manage their finances and transactions.

3) MarTech solutions – companies entering financial services from the marketing technology sector with experience in coupon promotions, email marketing automation, and chatbot support.

Flybits is a unique technology company that does not conform to any one of these categories, but that combines elements from each to achieve remarkable results that are faster to market, more personalized, and more secure.

Speed to Market

Compared to its competitors, a key advantage with Flybits lies in its ability to get to market faster at a fraction of the cost. It is a key differentiator compared to enterprise software organizations, whose systems can take years to implement and cost several hundreds of thousands of dollars, requiring numerous consultants to implement and execute.

Personalized Ecosystem

Another important benefit – particularly over PFM's – lies in Flybits' ability to leverage more than just transactional data. Flybits' technology creates a more holistic customer view, so financial service

organizations can serve both their banking and lifestyle needs in a personalized ecosystem, and turn their mobile channels into a highly engaging destination that builds trust.

Privacy Protection

Flybits also has a strong knowledge of the financial industry and the regulatory environment, and embeds a strict privacy-protecting approach that gives the power to the end-customer – enabling them to choose what data to share and for what purpose.

Ultimately, when stacked against its competitors, Flybits is the product leader in customer experience. The company offers the most innovative and efficient way of connecting and supporting customers using contextual data, the unique ability to create a personal banking ecosystem that goes beyond branches, and an industry-leading commitment to privacy protection, particularly as the industry shifts towards open banking.

Empowering Banking and Financial Services Institutions through an End-to-End Platform

From the outset of its founding, Flybits has empowered banks and FIs to bring wisdom and meaning to the data that surrounds their customers. Flybits has always set out to solve a critical problem for retail banks, insurance companies, and telcos: orchestrating and managing their internal and external data to generate deeper customer insights that better serve customers themselves while fully protecting their privacy.

These companies face fierce competition from big technology and fintech entrants, who are raising the stakes in the industry. To compete, banks and FIs must build and integrate technology that allows them to deliver consumer-centric – not product-centric – experiences, creating an ecosystem of value for every customer.

Flybits' patented technology enables banks and financial services institutions to aggregate data from proprietary, public, and third-party data sources; derive deep insights about each customer; and then leverage those insights to improve customer experiences (i.e., by marketing the right products to the right customers at the right time). Flybits' end-to-end, enterprise-level platform manages the information technology complexities of data science, hyper-personalization, and contextualization so clients can easily create experience design use cases and implement efficiently. Flybits streamlines their clients' time to market and allows them to scale quickly to compete with big technology and financial technology firms. Flybits' platform consists of four key products: Experience Studio, Concierge, Control Tower, and Developer Portal.

Experience Studio

The recently upgraded Flybits Experience Studio 2.0 contains a collection of offers, education, and recommendations to serve customers at every relevant moment. With its library of templatized modules ranging from cards to loyalty and beyond, business leads can access all the relevant interactions mapped to every stage of their customers' journey.

Concierge

Flybits Concierge delivers the experiences that were created in Experience Studio. It is a low-code layer

that sits inside an existing website or mobile app, enabling the financial institution to use AI and unlock the power of context, without the need for costly development. Concierge follows the strictest privacy and security standards and empowers customers to opt-in and opt-out at the moment their data will be used.

Control Tower

Control Tower is a new interface that simplifies platform management and centralizes projects across regions, lines of business, and groups. Control Tower provides a holistic view of projects to increase visibility and tools that give project administrators the flexibility and control to manage projects, teams, and user access with less complexity and accelerate their time to market.

Developer Portal

The Developer Portal allows users to augment and enrich internal data with device or public data. Its multi-tenant infrastructure centralizes global accounts and permits the distributed consumption of data and services.

The breadth and depth of Flybits' portfolio empower financial institutions to become better data custodians and create personalized data ecosystems around every customer, bringing utility and value to their lives. Ultimately, financial institutions can leverage Flybits' solutions and capabilities to achieve a range of business objectives and outcomes while deepening the relationship with their customers.

Continued Product Leadership

Flybits' approach of ongoing innovation and improvement has earned it widespread recognition as both a pioneer and a product leader. The company continuously considers new avenues for its product development to enhance customer value and address emerging industry trends and challenges. In Flybits, Frost & Sullivan's team of experienced analysts identified a candidate for continuous market disruption.

Key Strategic Partnership

One of Flybits' key milestones in 2020 involved a strategic partnership with the Hybrid Edge Cloud computing company, mimik. mimik's Hybrid Edge Cloud platform enables Flybits to address a critical challenge and enable a new paradigm for its banking and financial services customers, who can leverage the platform to access data directly from end-users' mobile devices. In essence, the platform allows these devices (and a series of other digital channels) to function as cloud servers so that banks and financial services institutions can send recommendations and personal guidance to customers in real-time. The technology also provides the grounds for a new ecosystem where banks and financial services institutions can collaborate and share customers' data to enhance customer value.

Product Upgrades

Flybits has also planned a series of product upgrades to refine its portfolio and take its value proposition up a notch in 2021. The releases began in January with the launch of Experience Studio 2.0, the next evolution of Flybits' platform. Experience Studio 2.0 improves upon Flybits' first version with a library of more than 200 pre-built mobile banking experiences, turnkey templates, deep analytics, and export capabilities.

The following month, Flybits introduced a Privacy-First Guided Opt-in capability, which provides data and algorithmic transparency. It puts consumers in control of how their financial institutions use their data with three permission layers: concierge benefits, location services, and push alerts and reminders. Flybits designed these permission layers to give end-users peace of mind. They know how their banks use their data, making them feel secure and confident about their privacy.

Another product addition, Control Tower, came in March. Control Tower is the management tool that rounds out the core components in Flybits' product portfolio. Control Tower essentially centralizes project management across regions, industries, and businesses. It provides administrators visibility and allows them to manage and grant access to their global teams.

In the next phase of Flybits' product upgrades, the company will launch an audience optimization tool. This tool will leverage artificial intelligence and machine learning capabilities to reach a new level of insight. It will allow banks and financial institutions to identify the best audiences for campaigns and offerings and approximate their outcomes. For example, banks can use the capability to understand how much engagement they will receive based on how they refine their audience. Once launched, users will leverage the solution to increase revenue, increase customer engagement, ensure compliance, and perform data analytics with no technical expertise.

Growth Potential

Frost & Sullivan believes Flybits has enormous growth potential. The demand for Flybits' solutions spans across industries and geographies, as it provides tremendous value for those who leverage it properly. Flybits has seen a 728% increase in revenue over the past three years, and it anticipates continued growth for years to come. In Q1 2021 alone, the company closed four new customers in one of its most successful quarters to date. It also saw a user increase of 330% and a 145% increase in delivered experiences compared to the same time in 2020. There has also been zero customer churn among Flybits' accounts.

> *"Flybits aims to unlock data's potential to empower its banking and financial service clients as well as the customers they serve."*
>
> **- Clare Walker, Industry Principal**

As it expands globally, the company has appointed new executives in Europe, North America, the Middle East and Africa, and the Asia-Pacific region. The company has successfully pursued and received funding in support of its expansion plans. The company's latest funding round includes $35 million ($45 million CAD) from five key investors: Point72 Ventures, Mastercard Incorporated, TD Bank, Citi Ventures, and Reinventure.

The "Better Data" Campaign

In 2021, Flybits launched a new marketing campaign in the United States based on the concept of "better data." The campaign describes how the company positions itself as a brand and what it stands for culturally. In an open letter on the concept, which appeared in Canada's leading national newspaper, *The Globe and Mail*, in April 2021, the company put the issue aptly: "Data is here for good. Shouldn't it be here for better?" In that same letter, the company set out its approach: "We partner with trusted institutions to make data better by embedding it in the context of people's lives. We show them how to turn data into

experiences and experiences into trustworthy, measurable values. And we help them put that value into people's hands."

Conclusion

Banks and financial institutions face a critical challenge now that online banking has supplanted branch visits as the primary portal for customer interaction: how to connect with their customers on a deeper level. Frost & Sullivan firmly believes that one of the best ways to achieve this outcome is by personalizing customer experiences. Flybits addresses this critical need with its end-to-end platform, empowering banks and FIs to leverage private, public, and third-party data to deliver highly specific and contextualized customer experiences.

Over the past several years, Flybits has continuously sought ways to improve and enhance its platform in a concerted effort toward excellence. In addition to forming a partnership with the hybrid edge computing company, mimik, Flybits planned out a series of product releases in 2021 and launched a new "better data" marketing campaign to define its identity and values in the "Data Age."

Flybits continues to be a frontrunner in the industry and demonstrates massive growth potential, witnessing a 728% revenue increase in the past three years, along with a 330% user increase and 145% increase of delivered experiences. These successes serve as a testament to the quality and value that Flybits continues to provide.

For its strong overall performance, Flybits is recognized with Frost & Sullivan's 2021 Global Product Leadership Award for customer experience in the financial services market.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Key Impacts:

- **Growth Pipeline:** *Continuous flow of Growth opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**