

## Key Updates

### Investment performance meets expectations via strong growth

Q2 revenues for Fetch Rewards are up 6.6% from Q1, with June recording the highest monthly revenues ever. Total households is up 29% Year-on-Year (YoY). Retention has also hit a record high, with M2 retention (users acquired in the month prior returning the next month) in the region of 71% in the first half of 2023, up from 63% over the same period last year.

Gross margin stays strong at 63.7%. Customer Acquisition Cost (CAC) decreased significantly, beating plan by over 50% and resulting in savings in marketing expenditure.

The company transitioned to a marketplace model for advertisers, and 42% of advertising revenue is now non-exclusive or partially exclusive, up from 20% in December 2022 (targeting 80% by End-of-Year). The company added 55 new advertisers, representing a large percentage of revenue in H1 2023.

Key hires in 2023 include: Meredith Guerriero as Chief Operating Officer, Jeff Lau as Senior Vice President of Partnerships and Operations, and Gideon Oppenheimer as Chief Financial Officer.

### Investment outlook remains positive

The company is targeting 50% YoY revenue growth for 2023. The company made the decision to slow down growth in order to conserve cash and is now funded until profitability is reached without the need for additional capital.

Fetch launched 'Fetch 3.0', the new and improved app representing an evolution in the rewards experience and the firm's commitment to provide both shoppers and partners with a strong value proposition. The app offers improved and personalized offer ranking which, coupled with more user-friendly interface, gives greater visibility to rewards and other opportunities. Taken together with built-in social interaction among users, Fetch 3.0 is designed to keep users spending more time within the app and discover more rewards.

Overall, the narrative around Fetch remains positive, as the company continues to perform well.

## Market Insights

Views on the market landscape remain largely unchanged from the previous quarter. The iOS update has made performance marketing on mobile particularly challenging, driving brands to search for new digital channels. Brands are continuing to shift offline trade spend, which is unpredictable and difficult to scale, online; this puts Fetch in a favorable market position.

Fetch continues to gain market share in this space.

Sources: YS Analysis, Greycroft Q2 Update, Fetch announcement <https://business.fetch.com/trends-and-insights/fetch-3-0-partner-benefits>

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## At a Glance

### Venture Capital

Returns Source(s):

- Value realization on sale

### Investment Overview

Yieldstreet has invested directly in the preferred equity in Fetch Rewards Series E financing. The preferred shares have senior liquidation preference from the sale or liquidation proceeds in comparison to common equity shareholders. Late-stage VC companies, like Fetch Rewards, are less risky in comparison to companies undergoing early-stage rounds of funding. Private equity investments, including venture, have positive but lower correlation to public equity markets.

### Business Plan

Fetch Rewards is a mobile shopping platform that allows consumers to earn rewards for everyday purchases. Fetch Rewards partners with CPG and retail companies that agree to use Fetch Rewards as their primary loyalty partner and incentivize partners to join the platform through the valuable data they collect on consumers. Fetch Rewards is also backed by some of the world's most successful venture capital firms including Softbank and Greycroft.

### Target Net Annualized Return<sup>2</sup>

25%+

Net annualized return when calculated at final realization.

### Payment Schedule

Event Based

### Target Term<sup>1</sup>

2026