Q1 FY20

Investor Update

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- Business Outlook
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FY20 Update
Q1 + April

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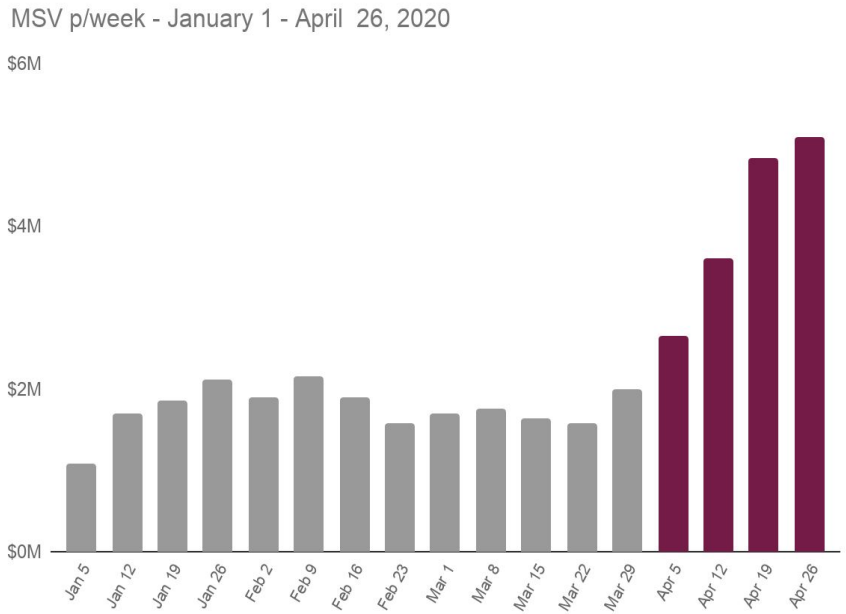
Highlights

- Record high MSV in April, up 165% on PCP and 152% compared to the same period in March 2020, despite COVID-19 challenges
- Strong revenue growth, up 104% on PCP, increased demand for funded model
- North America Q1 MSV up 42% on PCP as growth accelerates
- Notable large merchant wins: Canyon Bikes, Nectar Sleep, RideCake, Dreamcloud, GoEasy Australia, Scorptec, Bedmart
- Global strategic partnerships with VISA and Stripe

Definitions of operating metrics can be found in the Appendix

Accelerating Growth in April

- MSV accelerated to record levels in April following COVID-19 slowdown in March. Growth driven by:
  - New large merchants onboarded in Q1
  - Increasing consumer preference
  - 90% of Splitit volume is eCommerce/mobile
- Consumer preference is improving rapidly as Splitit is increasingly relevant to spread purchases on credit cards over time
- AOV has bounced back after a 10% reduction in March during the initial COVID-19 impact
- A strong pipeline of new large merchants as execution of new strategy continues



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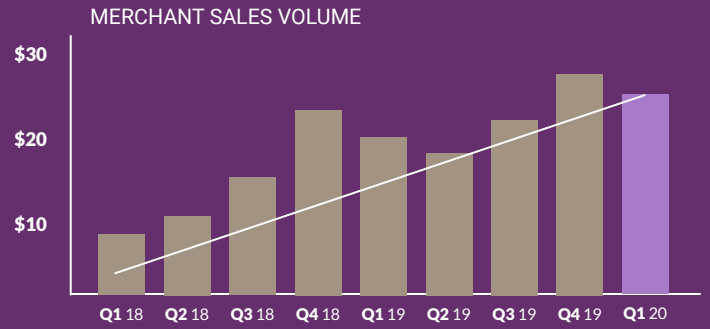
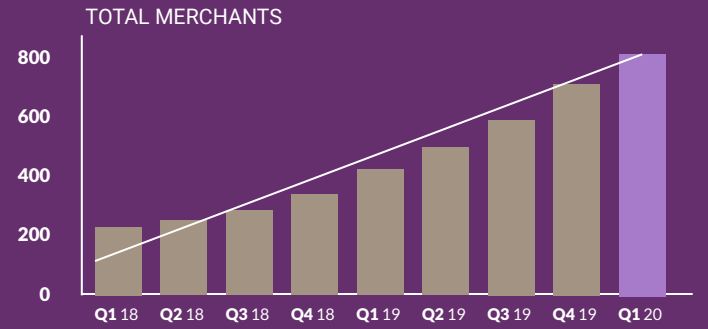
Q1 Operating Performance

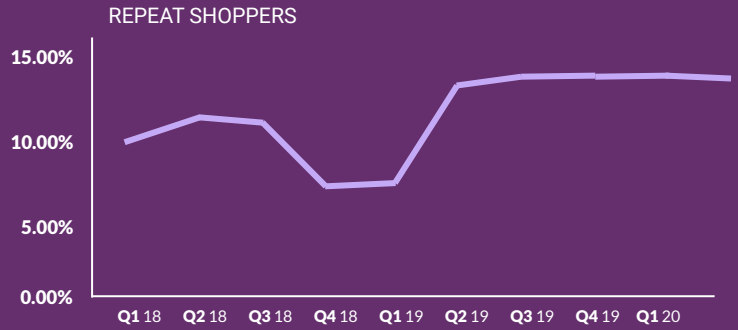
		PCP**
MSV (Q1)	US$23.7M*	+18%
MSV (APRIL)	US$15.4M	+165%
REVENUE	US$657K	+104%
TOTAL MERCHANTS	862	+108%
ACTIVE SHOPPERS	107K*	+2%
AOV	$737	+57%
REPEAT USAGE	13.6%	+72%

** Q1'20 MSV growth was impacted by unusually high comparison to Q1'19 where low AOV / high volume merchants were present in 2019 however have now been removed from base due to poor product-market fit. Expected to normalise in late Q2-Q3.*
*** Percentage growth to prior corresponding period (PCP).*

Q1 Performance Metrics







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Q1 FY20 Key Financials

$657,000 revenue

$3.7M operating expenses [1]

$10.34M cash on hand [2]

Underpinned by:

- Strong revenue growth @ 104% PCP
- Increasing take rate ~3%
- Contribution Margin ~70%
- Negligible losses

1. 20% OPEX reduction impact not applicable until Q2. Includes a number of one-off payments accrued in Q4, relating to severances, legal, new credit facilities.
2. US$ 7.65M in cash balance and US$2.69M in net future repayment from self-funded merchants. The Company also has utilized $3.66M from its Shaked credit facility to support the funded-model growth with merchants.

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Q1 Operating Highlights

Over $2BN in addressable MSV with new merchant agreements

CANYON nectar redsbaby cake explore with respect DREAMCLOUD FactoryPure scorptec

Continued attracting world class talent

VP EUROPE, VP PARTNERSHIPS, CHIEF LEGAL & RISK OFFICER

Technology-enabled strategic partnerships to drive industry innovation and scalable growth

VISA | stripe ACCELERATE ONBOARDING FROM WEEKS TO MINUTES

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COVID-19 Impact and Response

- 90% of merchants' business is online
- Continued growth in KPIs, acceleration in April following softer March
- Splitit is resonating with consumers as payment and budgeting tool for essential purchases
- Unique and scalable business model with negligible exposure to consumer defaults
- Merchant acquisition accelerating in Q2, improving cart conversion
- No merchant credit risk to date, closely monitoring and providing support as required
- Given uncertainty, implemented BCP to protect team and customer service provision
- Prudent decision to reduce operating expenses by 20%:
  - Temporary reduction in executive salaries and Board fees
  - Reduction in marketing and non-critical general expenses
- Macro conditions, growth and risk metrics informing when investment will ramp

Business Outlook

- Experiencing a record start to Q2. Despite global challenges relating to COVID-19, expect to continue accelerated growth in MSV, Revenue and Customer metrics
- Consumer preference and familiarity growing: better utilising existing credit
- Merchant demand increasing: improving merchant shopping cart conversions
- Focus on large merchant acquisition in target verticals underpins MSV and revenue growth
- Continue to execute new strategic partnerships and activate existing partner agreements and integrations - e.g. VISA, Shopify, Magento
- Stripe-enabled self-onboarding: on track to commence in Q2
- Continued near-term focus on people, customers and cost management

New Brand Platform

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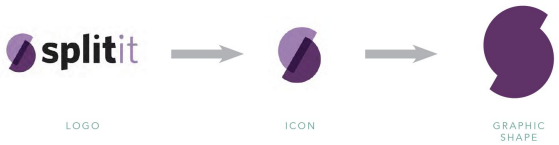
New Brand Story and Visual Identity

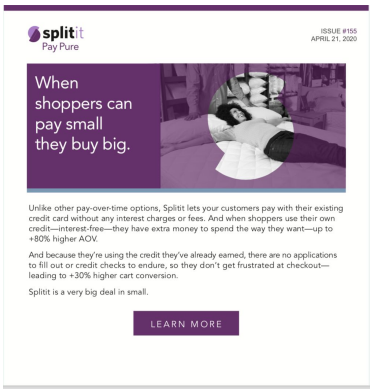
Splitit will roll out a distinctive new brand story and visual identity in Q2 designed to differentiate our product and significantly drive merchant sign-up. This exciting new work highlights Splitit's one-of-a-kind advantages and creates a unique visual device that is exclusively our own.

The new campaign will target merchants, as well as established and financially savvy credit card holders who spend more on considered purchases.

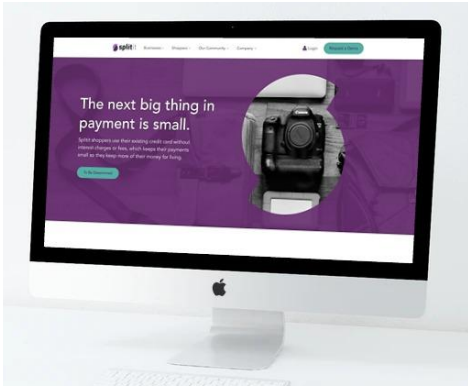
Splitit is the only buy-now-pay-later solution that empowers shoppers to use the credit they already have to pay over time on their terms—with no applications, no interest, and no fees.



Campaign assets



Refreshed website *(WIP)*



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Splitit Overview

Strategy and Business Model

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UNIQUELY POSITIONED TO HELP IMPROVE CART CONVERSION

Splitit is the only global instalment payment technology company that helps merchants overcome cart abandonment & increase conversion while allowing consumers to spend

their credit on their terms.

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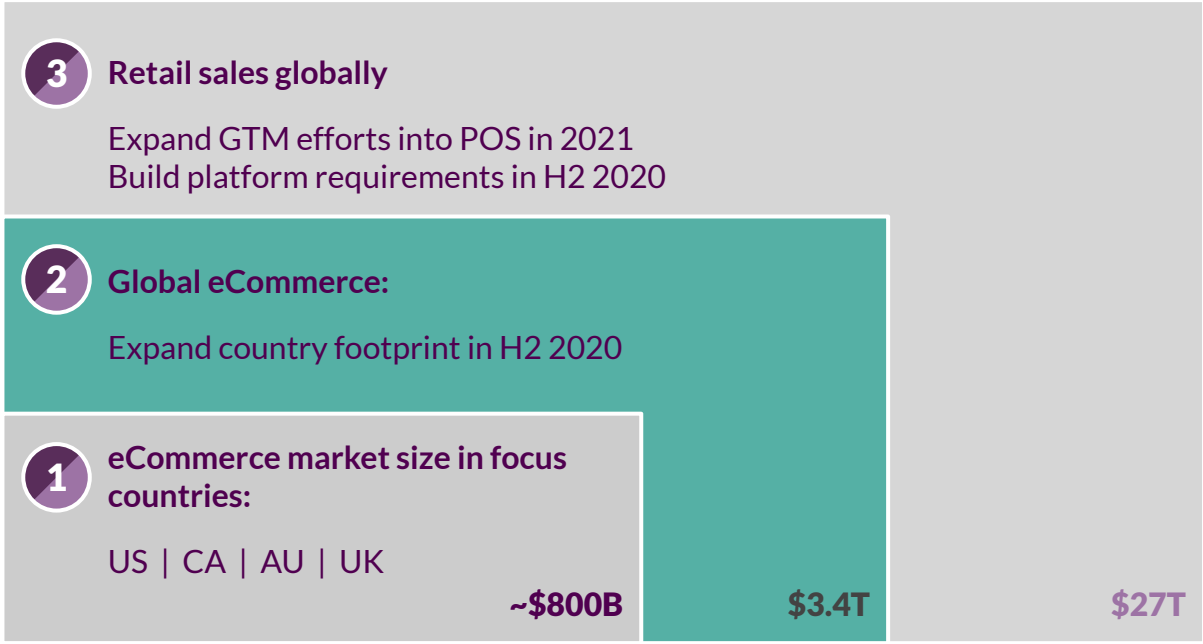
MASSIVE ADDRESSABLE MARKET

$3.4T

eCommerce opportunity globally

1.8B +

credit cards globally with 70% of credit not utilised



Sources: eMarketer.com, creditcards.com

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THE CHALLENGE FOR E-COMMERCE RETAILERS

Global e-commerce is a

$3.4 trillion industry.

PROBLEM

The single biggest challenge for e-commerce retailers is getting consumers to complete a transaction and **overcome cart abandonment rate.**

Current abandonment rate of 68.63% translates into **$4.6 trillion in lost e-commerce sales each year.**

Sources: eMarketer.com, baymard.com

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OUR UNIQUE POSITION

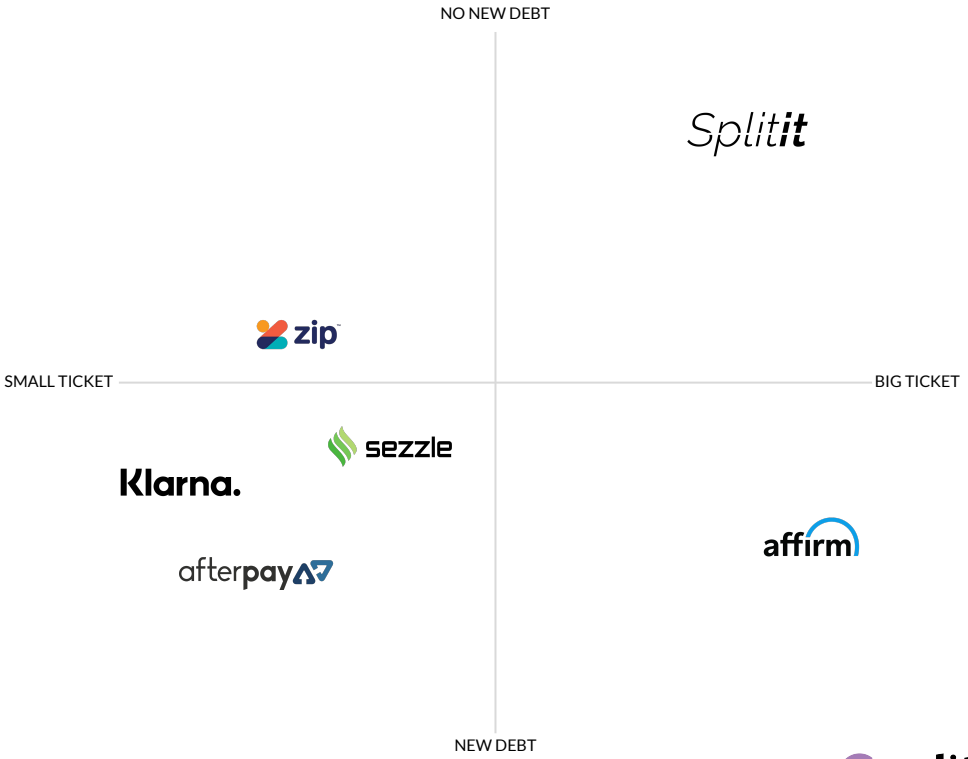
CROWDED BNPL SPACE FOR COMPETITORS

- Most BNPL providers issue new debt to shoppers
- Lower Average Order Value merchants

SPLITIT IS THE **ONLY PLAYER** ENABLING CONSUMERS TO UTILISE EXISTING CREDIT THROUGH INSTALMENTS AT CHECKOUT

COMPELLING MERCHANT PROPOSITION

- Available to 1.8BN Visa/Mastercard cardholders where 70 percent of credit is underutilised
- No application
- Higher AOV
- Splitit is complementary to existing BNPL options
- Lower default risk than other options



Sources: Experian, creditcards.com

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HOW WE'LL WIN

Only provider:

of instalments on credit cards at the point of sale

Responsible use of credit:

Enables existing credit, we do NOT provide customers new credit

Scalability:

70%+ contribution margins
1.8BN cardholders can use Splitit now
Presence in 30+ countries
Negligible losses

~30% higher cart conversion:

Card Agnostic: instalments on all cards, at the point of sale

Up to 80% higher AOV:

Customers spend more

(source: Virgin Pure, Fashionette case studies)

Global platform:

Globally relevant. Connected to 80+ payment and commerce partners worldwide

Sources: Splitit internal data and merchant case studies

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THE SPLITIT ADVANTAGE

No new debt

No applications

No fees or interest payments

Frictionless checkout means higher conversion

Savvy shoppers spend more. Average order value is typically >$300

Global platform supports the reach of today's e-commerce business

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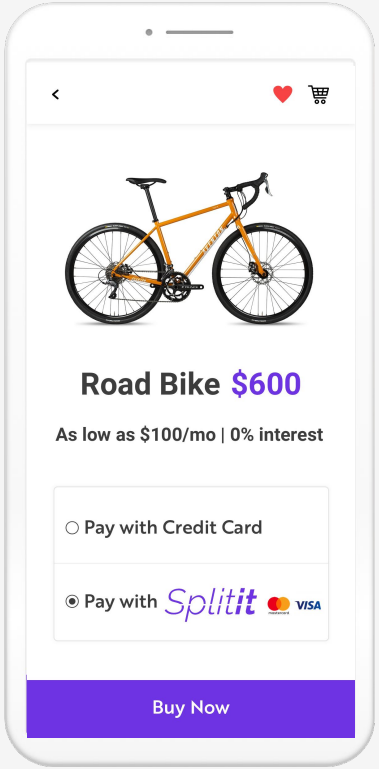
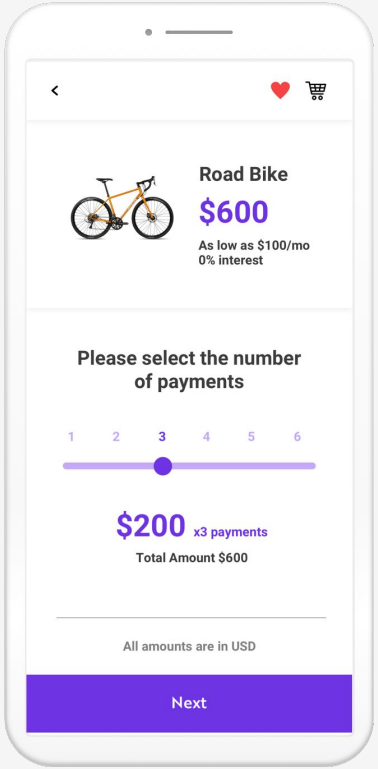
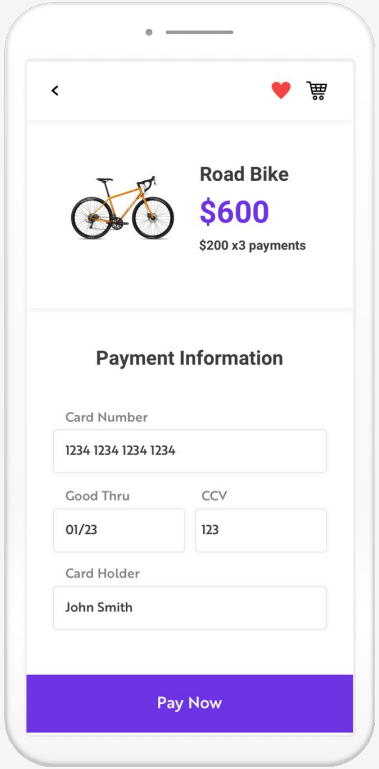
THE FASTEST, EASIEST INSTALMENT PAYMENT OPTION







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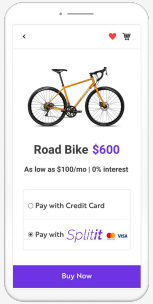
SPLITIT PROCESS

1

Consumer purchases an item for $600



Consumer chooses Splitit as payment method at checkout

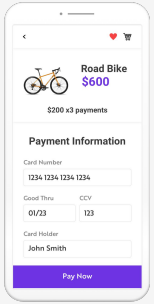
2

Splitit technology splits payment into instalments

Splitit connects to the merchant's preferred Payment Gateway, any of 80 around the world

3

Visa and Mastercard holders enter account details at checkout



VISA mastercard

4

The item is split into 3 x $200 payments

Consumer makes payments in monthly instalments, with a hold on credit card.

NO NEW APPLICATIONS, NO FRICTION AT CHECKOUT. NO NEW CREDIT.

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STRATEGIC PILLARS TO DRIVE GROWTH

DELIVER AMAZING CUSTOMER EXPERIENCES

Reduce merchant cart abandonment

Improve Shopper Confidence

WIN IN KEY VERTICALS

Homewares
Lux Retail
Jewelry & Accessories
Sporting & Outdoors
Health

ACCELERATE SMB ACCEPTANCE

Technology and Partnerships to enable onboarding in minutes

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REVENUE MODEL & UNIT ECONOMICS

Revenue is earned from transaction fees from orders placed through the splitit platform

Splitit charges (average take rate, dependent on number of instalments)

3 percent per transaction

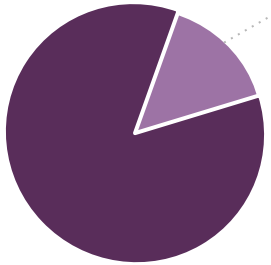
Splitit transactions typically represents

5-10 percent

of merchant sales

UNIT ECONOMIC EXAMPLE

A Mid-Size US Merchant
$400M SALES VOLUME



10% of sales to Splitit
= $40M MSV

3% fee on $40M MSV
= $1.2M revenue

70% Contribution Margin
= $0.8M gross profit

In case of default (i.e a consumer doesn't pay), Splitit collects the full amount owed to the merchant without consequences to Splitit. Consumers are never charged late fees. These Splitit may enter into merchant arrangements on other terms that Splitit may agree from time to time on a case by case basis

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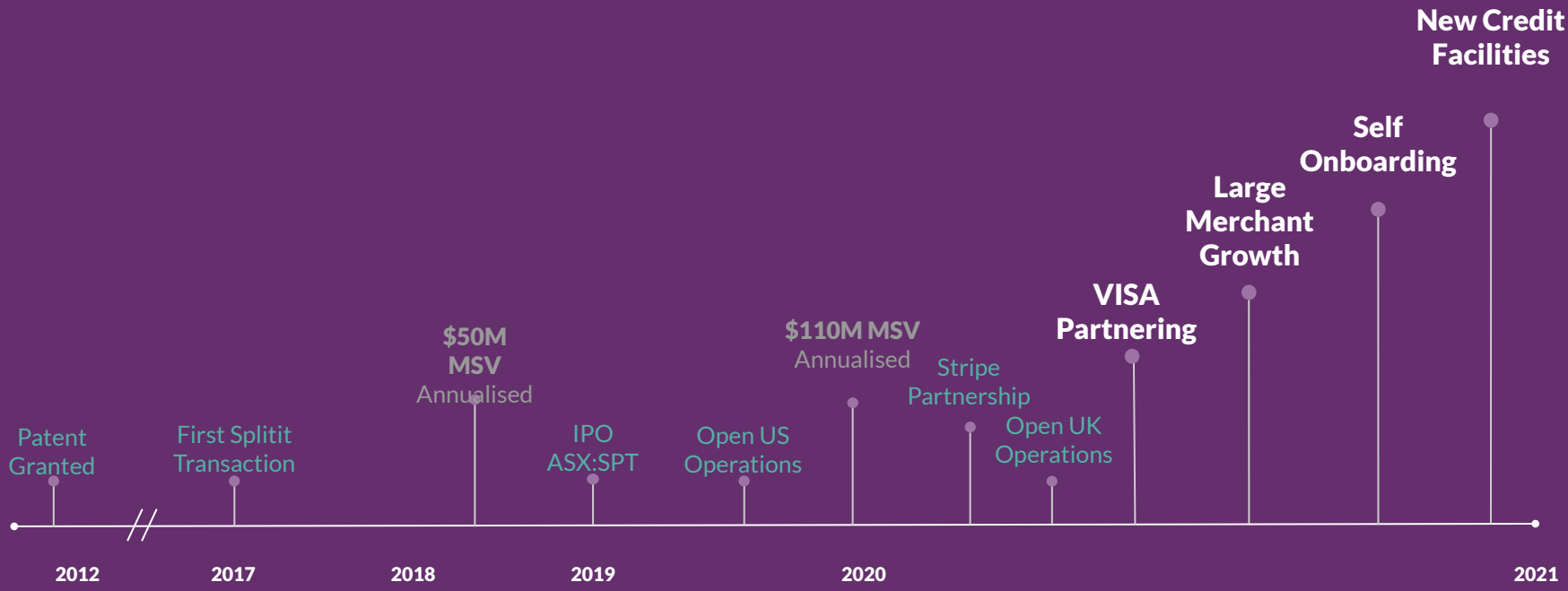
2020 AND BEYOND



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THANK YOU

Appendix

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Operating Metrics - Definitions

- **Merchant Sales Volume (MSV)**: underlying sales volume for successful transactions that a merchant fee is charged
- **Plans Initiated**: number of plans initiated in the period
- **Total Merchants**: number of merchants on the Splitit platform
- **12M Active Merchants**: number of merchants that received a successful payment in the previous 12 months
- **12M Active Consumers:** number of shoppers that made a successful purchase in the previous 12 months
- **Average Order Value (AOV)**: average value of plans initiated in the period.
- **Repeat Usage**: percent of shoppers that have made a purchase in the current period that had previously made a successful purchase
- **PCP:** prior corresponding period

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