



28 January 2021

ASX RELEASE

Company Announcements Platform

Marc Schneider (CEO) and Steve Lapin (CFO) will today participate in a group investor briefing managed by UBS. The investor presentation is attached.

This announcement was approved for release by Zebit Inc's Board.

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About Zebit Inc.

Zebit is a California based eCommerce company dedicated to changing the lives of over 120 million U.S. credit-challenged consumers by giving them access to a broad set of products and the ability to pay for those products in instalments over six months with no predatory late fees or interest charges. Zebit's mission is to make online shopping inclusive of everyone, regardless of their financial history. The Company's unique business model and cutting-edge underwriting offer a one-stop shopping experience to this untapped and growing consumer base. Zebit was founded in 2015 and operates in all 50 States across the U.S. For more information visit www.zebit.com.

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Zebit™

INVESTOR PRESENTATION

This presentation is authorised for release on the ASX by the Board | 28 January 2021



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Investors should note that this document may contain unaudited financial information for the Company that has been prepared by the Company's management. The Company's results are reported under US-GAAP. Investors should be aware that certain financial data included in this presentation including revenue, gross margin, contribution margin, bad debts, and net income is "non-IFRS information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by ASIC or "non-GAAP financial measures" within the meaning of Regulation G of the US Securities exchange Act of 1934. All values are stated in US dollars unless otherwise stated.

Introduction to Zebit



1

Zebit is an eCommerce Company Offering U.S. Credit-Challenged Consumers a One-Stop Shopping Experience Coupled with the Ability to Pay Over 6 Months

Company

- Founded in late 2015, launched in 2016, HQ in San Diego, CA
- Raised US\$55M of VC money prior to IPO in Oct-20
- Experienced team skilled in eCommerce, lending, credit risk, and disruptive market models
- History of growth and operational execution against forecast

Market

- ~47% of U.S. adults have an impaired or no credit score
- ~74% of the population lives paycheck-paycheck
- Multibillion dollar market comprised of ~120M consumers excluded from mainstream credit
- Limited competition other than high cost predatory product financing alternatives
- Industry is ripe for disruption

Zebit Has Reinvented Product Financing via a Streamlined eCommerce Model and a Proprietary Machine Learning Based Credit Solution

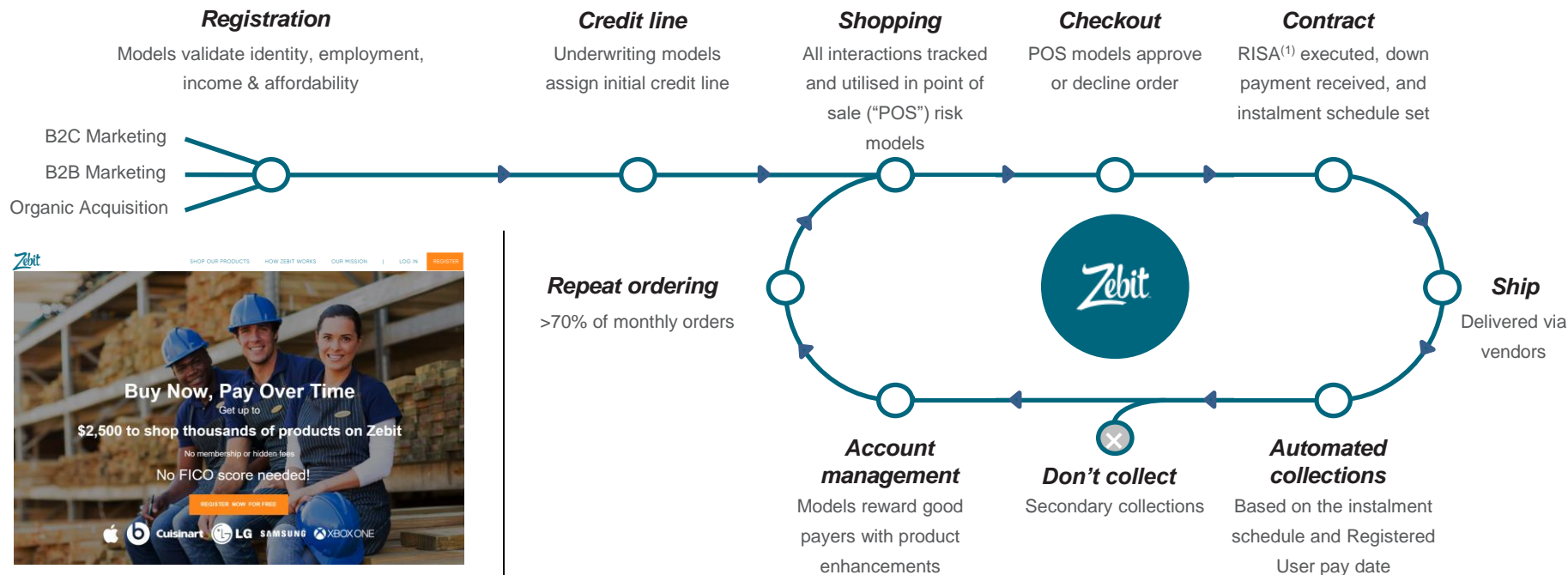
Unique Operating Model

- Diverse acquisition channels w/viral component
- “Subscription like” buying with high repeat purchase and long-tail retention rates
- Dropship network of over 100 suppliers w/no inventory or warehouse costs
- Proprietary ML models that manage risk
- Make money by capturing gross margin from products sold
- Financially engineered cash flow lowers risk

Key Milestones

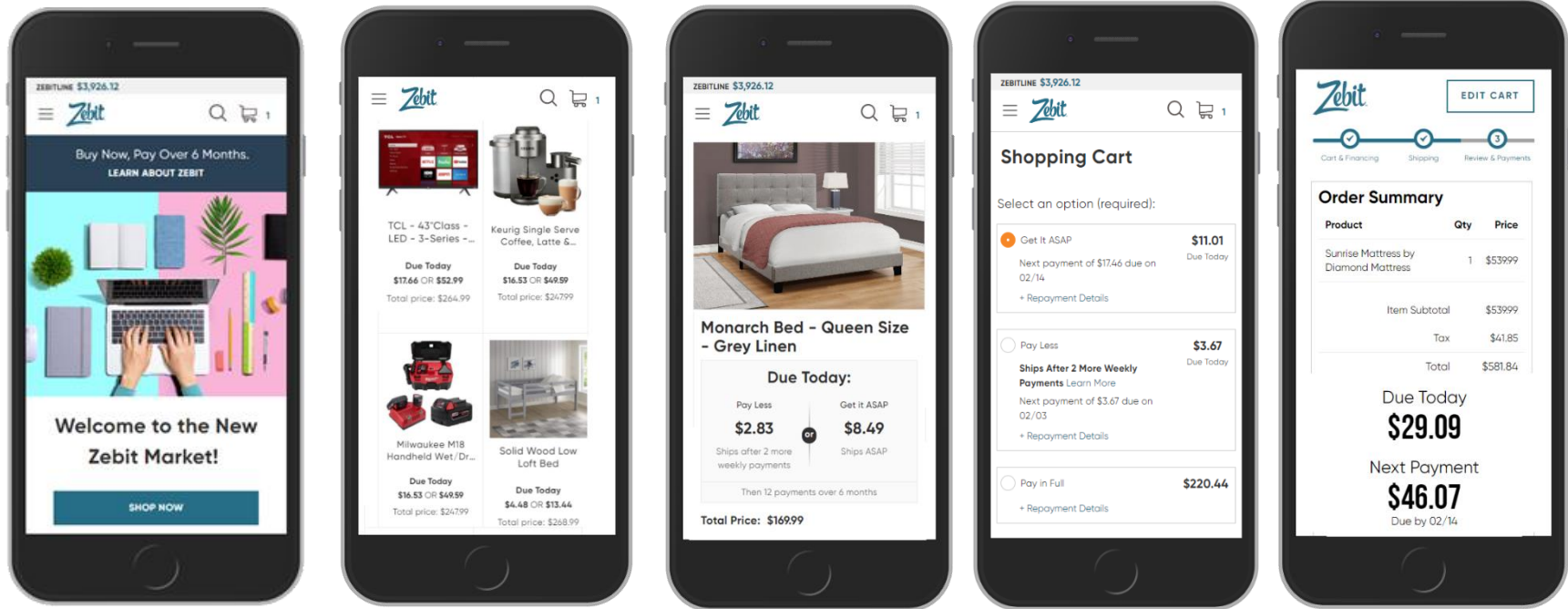
- Cumulative revenue of over \$240m
- Shipped over 1.5m items
- Acquired 791K customers
- 2017-2020 revenue growth from \$20.8M to \$87.7M
- Increased contribution margin from 0.5% in FY17 to 15.8% in FY20
- Lowered net income loss from (\$10.3M) in FY17 to (\$7.4M) in FY20

Zebit Offers a Fast Online Registration to Shopping Experience with Multiple Risk Assessment Points and Real-Time POS Underwriting



1. Retail instalment sales agreement ("RISA")

Customers Can Shop Over 90,000 Active Products Across 25 Product Verticals, with 90%+ Customers Shopping by Mobile Device

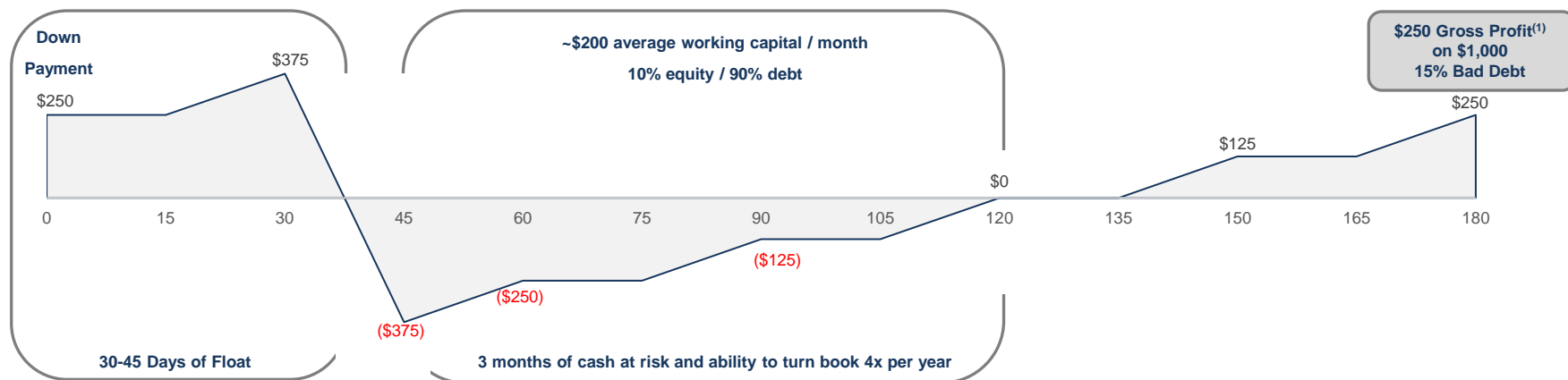


Zebit Generates an Incredible >1,000% IRR and 3x ROIC per \$1k Transaction

- Customers pay 14.5% - 35% down payment at checkout, then the order ships
- Remaining portion is financed in equal instalments over 6 months based on pay frequency
- Net 30-45 day terms with suppliers
- Debt facility covers 90% of the remaining COGS
- Results in approximately 3 months of working capital risk

Example: US\$1,000 @ 25% Down Payment

>1,000% IRR & 3x ROIC per transaction

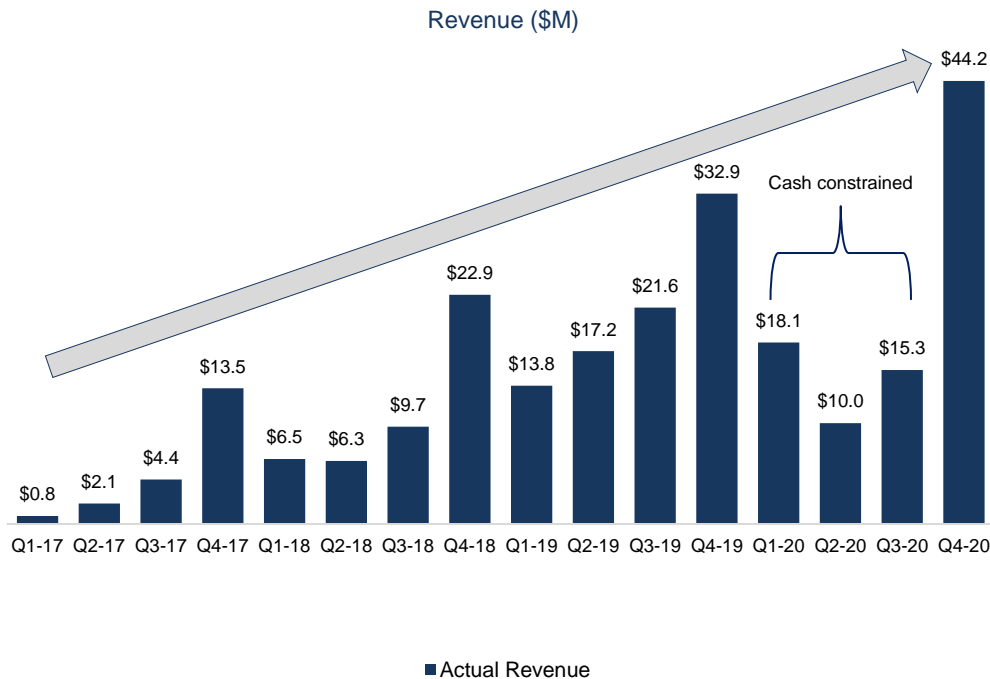


1. Capital management example assumes 25% Gross Margin and 15% Bad Debt. Gross Margin is forecast to be 27.5% and Bad Debt 14.7% in the Prospectus Forecast Period.

Financial Performance



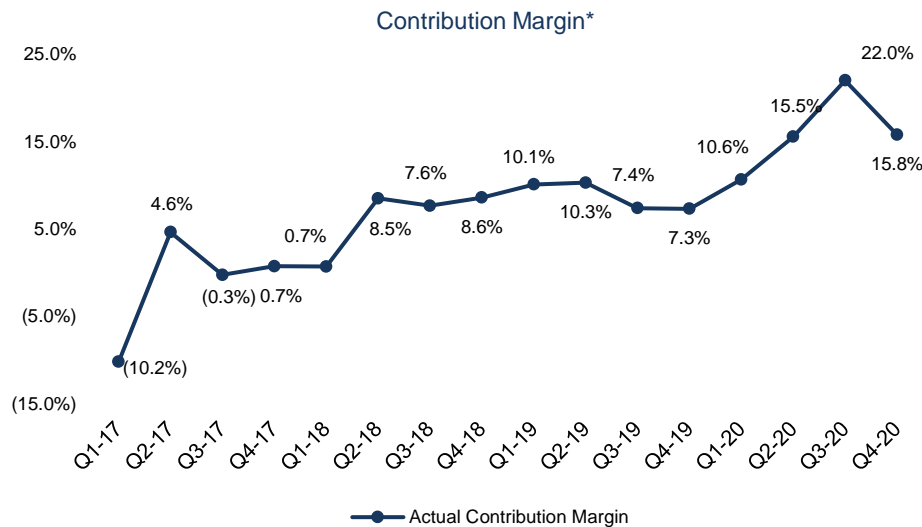
New Customer Acquisition and Repeat Customers Fueled Revenue Growth



- 2017-2020 revenue growth from \$20.8M to \$87.7M
- Cash constrained Q2-Q3 FY20
- IPO completed on 26/10/20
- Q4-20 largest ever since inception

Margins and Credit Performance Expanded Contribution Margin in 2020

- Combination of factors grew contribution margin
 - ✓ Increase in gross margin
 - ✓ Reduction of bad debts reserve
 - ✓ Active management of customer down payments and shopping limits
 - ✓ Improved decision models
- In the Prospectus, the bad debts were forecasted at 14.9% for FY20
- The Company significantly beat its bad debts forecast in FY20
 - ✓ Released portions of the bad debts reserve related to Q1 and Q2
 - ✓ Positively impacted Q3 and to a lesser extent, Q4 contribution margin
- Contribution margin in Q3 and Q4 were well above the Prospectus forecast

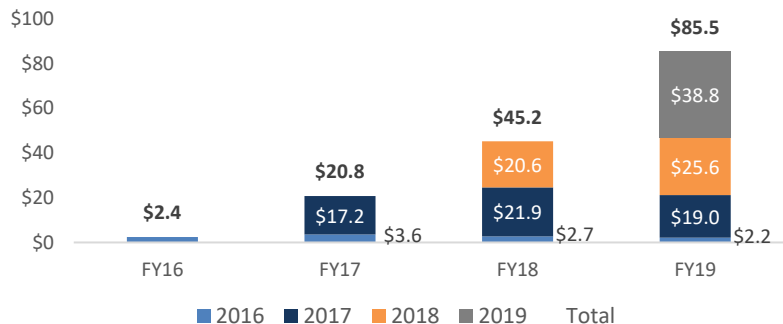


*"Contribution Margin" is Gross Margin less Bad Debt Reserve. "Gross Margin" is the dollar margin, reflected as a percentage, between the price at which Zebit sources a product and the price Zebit charges its customer for the product including shipping margin and all dropship fees and adjustments. "Bad Debt Reserve" is the proportion of bad debt Zebit expects to take for historical outstanding sales. Refer to Section 6.2.4 of Zebit's prospectus for further information.

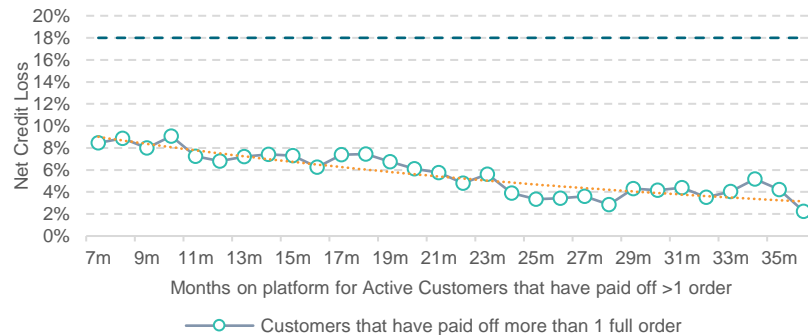
Repeat Customers are a Key and Growing Component of Revenue and Have Lower Expected Bad Rate the Longer They are on the Platform

- Repeat buying materially contributes to out-year revenue
- Once a customer pays off the 1st order, expected bad debts drop significantly
- As customers mature, their revenue is “naturally” de-risked while also contributing to higher LTV

Revenue by Year of Registration (\$M)



Net Credit Loss Over Time



Zebit's Key Metrics Shows Improvement in Q4 and H2 FY20 Compared to the Same Period in FY19

December FY20 Comparison

- Record Dec FY20 revenue of \$22.8M, up 51.0% or \$7.7M vs Dec FY19;
- Dec FY20 contribution margin of 14.6%, a significant improvement from 6.7% during Dec FY19;
- Dec FY20 bad debts reduced to 10.9% from 19.9% in Dec FY19;
- Record Dec FY20 net income of \$752K compared to a loss of \$822K in Dec FY19.

Key Metric	Dec FY20 (a)	Dec FY19 (b)	Change (a-b)
Revenue (\$)	\$22.8M	\$15.1M	\$7.7M
Bad Debt (%)	10.9%	19.9%	-9.0%
Contribution Margin (%)	14.6%	6.7%	7.9%
Net Income (\$)	\$752K	-\$822K	\$1.6M

Q4 FY20 Comparison

- Q4 FY20 revenue of \$44.2M, up 34.2% or \$11.3M vs Q4 FY19;
- Q4 FY20 contribution margin of 15.8%, a significant improvement from 7.3% during Q4 FY19;
- Q4 FY20 bad debts reduced to 9.4% from 19.1% in Q4 FY19;
- Q4 FY20 net loss of \$2.4M¹ compared to a loss of \$3.1M in Q4 FY19.

Key Metric	Q4 FY20 (a)	Q4 FY19 (b)	Change (a-b)
Revenue (\$)	\$44.2M	\$32.9M	\$11.3M
Bad Debt (%)	9.4%	19.1%	-9.7%
Contribution Margin (%)	15.8%	7.3%	8.5%
Net Income (\$)	-\$2.4M	-\$3.1M	\$0.7M

H2 FY20 Comparison

- H2 FY20 revenue of \$59.5M, up 10.2% or \$5.5M vs Prospectus forecast and up 9.2% or \$5.0M vs H2 FY19;
- H2 FY20 contribution margin of 17.4%, a significant improvement from 7.3% during H2 FY19;
- H2 FY20 bad debts reduced to 8.6% from 18.8% in H2 FY19;
- H2 FY20 net loss of \$2.8M¹ compared to a loss of \$6.5M in H2 FY19.

Key Metric	H2 FY20 (a)	H2 FY19 (b)	Change (a-b)
Revenue (\$)	\$59.5M	\$54.5M	\$5.0M
Bad Debt (%)	8.6%	18.8%	-10.2%
Contribution Margin (%)	17.4%	7.3%	10.1%
Net Income (\$)	-\$2.8M	-\$6.5M	\$3.7M

*Forecast Period is the 12 months from 1 July 2020 to 30 June 2021

¹Net income for Q4 and H2 includes a one-time fair value adjustment of convertible notes to stock at the IPO of \$1.6mm.

2021 Roadmap Focuses on Scaling Core Business, Driving More Optimizations Across the Business, and Piloting New Revenue Streams

Main Themes

- Implement Rakuten affiliate platform and B2B partnerships to expand acquisition reach
- Expand underwriting paths for consumers to continue to optimize registration flow and approval rates
- Diversify product offering to consumers via deeper product selection across more categories
- Iterate on machine learning models to drive more granularity into credit loss control
- Gamify referral program
- Hire several key employees to drive scale
- Pilot Zebit for prime credit customers