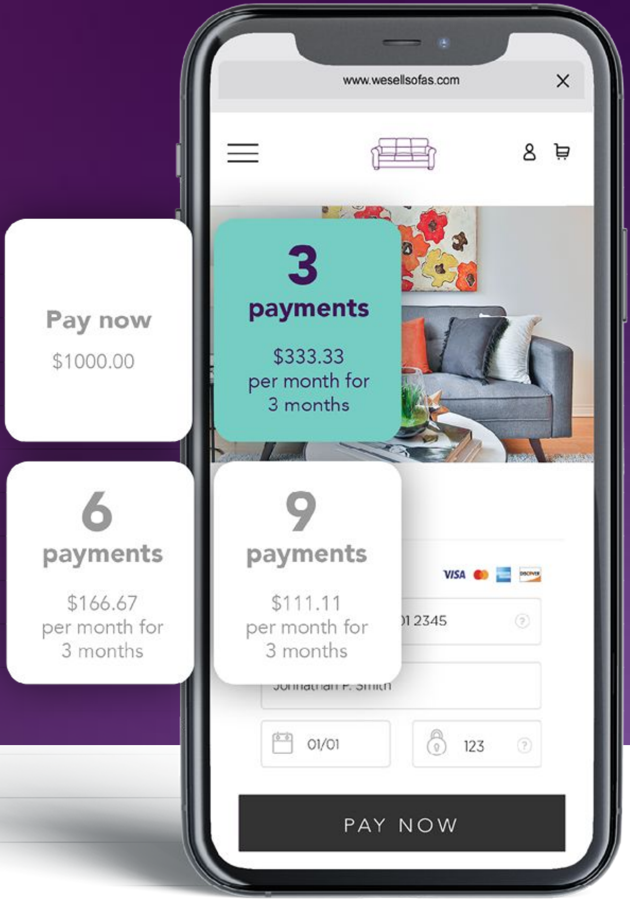
# Investor Presentation

August 2022

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## What is Splitit?

Splitit provides the technology that empowers Merchants to offer installment payments embedded within their customer journey.

We are the only installment payment solution that allows shoppers to use their existing credit card at checkout without increasing their debt.

## How We're Different?

1. Clear path to profitability
2. Greatest merchant value
3. Zero regulatory risk
4. Empowering the incumbents

# Recent Highlights

## FEBRUARY

**Nandan Sheth appointed CEO**
Brings more than 20 years experience and a powerful network within the payments and fintech space

**Senior team strengthened**
Sheth joins the company. Senior team further strengthened with seasoned industry executives: Head of Product, Head of Operations

## MARCH

**Refreshed growth strategy**
Splitit to become the orchestration layer for BNPL by leveraging its unique technology.

## APRIL

**A pathway to profitability**
Q1 results show a material reduction in operating expenditure in line with re-focussed strategy and differentiated business model, highlighting an accelerated pathway to profitability.

**Funding costs reduced**
Shareholders approve proposal to significantly reduce Goldman Sachs funding costs - strengthening margins, and assisting with the global expansion of an existing major merchant.

## MAY

**Joins Visa Ready for BNPL**
Splitit joins Visa Ready for BNPL to enable flexible instalment payments

**Instalments-as-a-Service**
Splitit unveils white label Instalments-as-a-Service offering, OCM as 1st customer to utilise.

**BlueSnap partnership**
Splitit and BlueSnap announce joint partnership to simplify BNPL for Merchants, marketplaces and ISVs.

**Senior team strengthened**
Addition of industry veteran as Chief Revenue Officer.

## JUNE

**Everyware ISV Partnership**
Splitit and Everyware announce joint partnership for pay-by-text BNPL.

## JULY

**Board strengthened**
Payments industry veteran Dan Charron (former Chairman Global Business Solutions at Fiserv), Nandan Sheth to join Splitit board.

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# Recent News Coverage

AMERICAN BANKER

PAYMENTS

## How Splitit's new CEO plans to make BNPL more bank-friendly

By John Adams April 18, 2022, 12:22 p.m. EDT 6 Min Read

WWD WOMEN'S WEAR DAILY

BUSINESS / TECHNOLOGY

## A Critical Take on BNPL, an Insider's View

Splitit's CEO Nandan Sheth discusses the challenges of the buy now, pay later business model and makes the case for his company being "disruptive."

By DAVID MOIN
JULY 6, 2022, 3:34PM

IBS intelligence Global FinTech Perspectives

## 3 BNPL Companies disrupting the payments space

By Edlyn Cardoza

PYMNTS.com

BUY NOW PAY LATER

## Third Generation of BNPL Holds Potential to Reshape Entire Credit Industry

By PYMNTS Listen to Article

Posted on March 28, 2022

PYMNTS.com

BUY NOW PAY LATER

## Splitit Joins Visa Ready for BNPL Program

By PYMNTS Listen to Article

THE WALL STREET JOURNAL.

NEWSPLUS

## Splitit's Move to Drop Branding Cuts Customer Acquisition Costs, CEO Says

By Stuart Condie
May 5, 2022 2:46 am ET | WSJ Pro

Finance Derivative

BUSINESS

## How to make BNPL even better? Focus on these three areas

Published 2 weeks ago on May 16, 202

Finextra

## Splitit hires former Fiserv exec Nandan Sheth as CEO

26 January 2022 0 0 0

ModernRetail

RETAIL REVOLUTION / MAY 25, 2022

## Why BNPL provider Splitit launched a white-label service

By Gabriela Barkho

WWD WOMEN'S WEAR DAILY

BUSINESS / RETAIL

## Consumer Survey Reveals Buy Now, Pay Later Preferences

The survey was conducted by Attest on behalf of Splitit and included more than 2,400 respondents.

By ARTHUR ZACZKIEWICZ FEBRUARY 7, 2022, 10:24AM

ZDNet

## The best buy now, pay later apps: Affirm isn't your only option

Buy now, pay later apps make it easy for consumers to make a large purchase and pay it off in small installments. Here are our six favorites.

Written by Erin Gobler, Contributing Writer on March 7, 2022

DOW JONES NEWSWIRES

## Splitit Shares Jump on Talks With Google Over US Payments

Published: April 27, 2022 at 9:54 p.m. ET

THE PAYPERS

## Splitit and BlueSnap to simplify Buy Now, Pay Later for merchants

Tuesday 24 May 2022 15:13 CET | News

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# 2022 H1 Financial Update

## Splitit Financial Snapshot

| | 30-Jun-22 (US$'000) | 30-Jun-21 (US$'000) |
|---|---|---|
| Merchant Sales Volume | 194,804 | 172,505 |
| Revenue (Non IFRS) | **4,794** | **5,006** |
| NTM Finance Costs | (1,702) | (2,396) |
| Other variable transaction costs | (592) | (139) |
| Impairment Expenses | (379) | (1,944) |
| Total NTM Costs | **(2,672)** | **(4,479)** |
| **Net Transaction Margin $ (NTM $)** | **2,121** | **527** |
| **NTM %** | 1.3% | 0.3% |
| Operating expenditure (Non IFRS) | **(10,915)** | **(14,055)** |
| EBITDA (Non IFRS) | **(8,794)** | **(13,528)** |

- 302% NTM $ growth
  - 81% reduction in impairment expenses
  - 29% reduction in NTM financing costs
- 22% operating cost reduction
- 35% EBITDA improvement

*Refer to appendix for operating metrics definitions*

# 2022 H1 Financial Update (cont'd)

| Accelerating the path to profitability | |
|---|---|
| Net Transaction Margin[1] growth | • NTMs of 1.3% (compared to 0.3% prior year).<br>• Continued reduction in funding costs, negligible bad debts, and one-third of MSV on non-funded model (with no interest rate exposure)<br>• Lower exposure to interest rate changes with one-third of book on guaranteed (non-funded) model, which will continue to be promoted heavily<br>• Steady and predictable NTMs expected going forward, as we are shielded from rising consumer defaults unlike much of the industry |
| Operating Cost (Non IFRS)[1] Reductions | • 22% YoY operating expense reduction<br>• Greater YoY operating expense reductions to be realised going forward, given cost rationalisation exercise not completed until March 2022 |
| Continued YoY MSV[1] growth | • Continued MSV growth (13% YoY), despite some deliberate attrition on unprofitable Merchants<br>• Will be a continued heightened focus on growth only through profitable MSV<br>• Chief Revenue Officer appointed May 2022<br>• Major global merchant expansion negotiations progressing as planned[2] |
| EBITDA (Non IFRS)[1] | • Combination of the above factors has resulted in a 35% YoY EBITDA improvement |

*1) Refer to appendix for operating metric definitions*
*2) Refer to Notice of AGM dated 24 March 2022 for further details*

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# 2022 H2 Outlook & Priorities

1. Signing major global merchants
2. Partnering with new large payment processor and/or ISV distributors
3. Expand Splitit's white-label Instalments-as-a-Service product across its base of Merchants
4. Continue to unlock BNPL for issuers through deepened strategic partnerships with networks and issuers
5. Continued transaction margin improvements, and cost efficiencies to accelerate path to profitability

# Business Overview

# A Clear Path Forward

- BNPL is only becoming more relevant, reaching nearly US$100bn or approx 2% of global e-Commerce sales in 2020[1]
- By utilising available credit card balances, Splitit has access to a substantially larger TAM and already operates within the industry's regulatory framework
- Legacy BNPL are facing increasing headwinds, many of which are points of strategic advantage for Splitit, given it's unique business model and technology
- As the next generation of BNPL embedded within the existing payments ecosystem, Splitit is able to provide the technology infrastructure via a single network API for network instalments
- This enables Merchants to retain the customer relationship and issuers to provide instant instalment solutions at the Point of Sale
- It also provides Splitit with a pathway to profitability via three strategic focus areas:
  - Scaling the existing model, with an enhanced focussed on distribution partners
  - Offering a white-label, *Instalments as a Service*
  - Unlocking issuer credit at merchant Checkout

1. CNBC, "How buy now, pay later became a $100 billion industry", https://www.cnbc.com/2021/09/21/how-buy-now-pay-later-became-a-100-billion-industry.html - September 21, 2021

# The legacy BNPL model is failing, now is the time for enterprise Merchants to implement embedded card-based instalments.

### Growing Regulatory Scrutiny

CFPB probe[1], class action lawsuits, new loan disclosures and licensing requirement and credit reporting obligations.

### Negative Shopper Impact

Easier for consumers to spend beyond their means, new queries on credit report or getting hit with unexpected fees and interest rates.

### Costly Shopper Acquisition

Cost of acquiring new customers is increasing exponentially and lack of consumer loyalty as 70% of BNPL users would switch providers[2].

### Merchant Backlash

Shopper and merchant relationships are being disintermediated while BNPLs are collecting and selling shoppers' data.

### Declining Conversion Funnel

Checkout clutter with too many BNPL logos, declining loan approval rates at checkout and 5+ extra steps at checkout creates incredible friction.

### Unsustainable Business Model

Escalating shopper installment plan write-offs, the increasing and uncompetitive cost of capital and the high cost of consumer and merchant acquisition.

1. https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-opens-inquiry-into-buy-now-pay-later-credit/
2. Financial Review, "Afterpay and Zip have a loyalty problem", https://www.afr.com/chanticleer/afterpay-zip-have-a-loyalty-problem-20210521-p57twp

# Splitit's Key Differentiators

### Best conversion rates

- 80%+ approval rates[1]
- No friction at checkout
- Highest AOV ($1,000+)
- No applications or underwriting

### Own your customer

- White-label
- No customer disintermediation
- Brand consistency
- Merchant loyalty

### Simple & scaleable

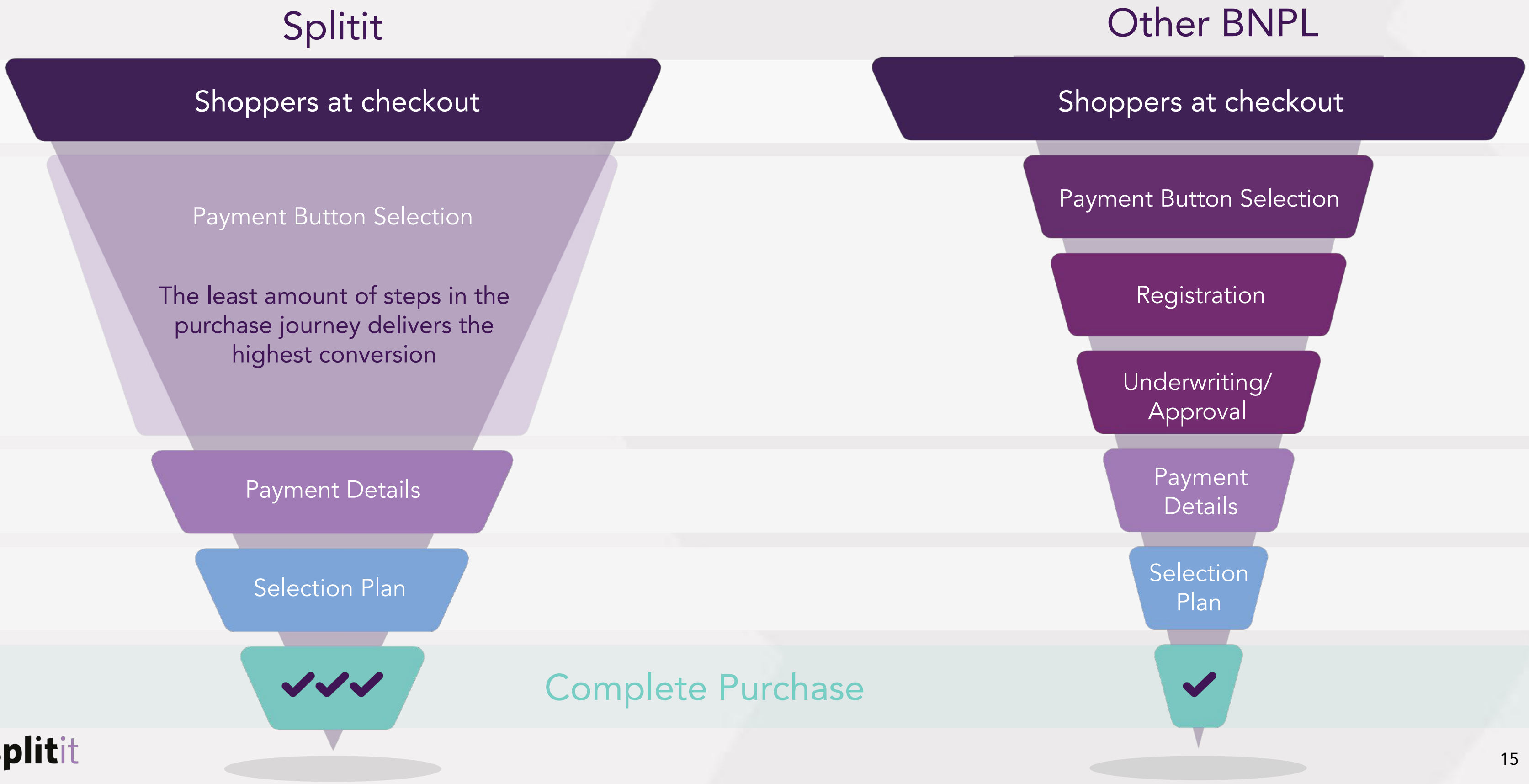
- Single API
- Global flexibility
- Same back office processes
- Universally issuer agnostic

### Best for consumers

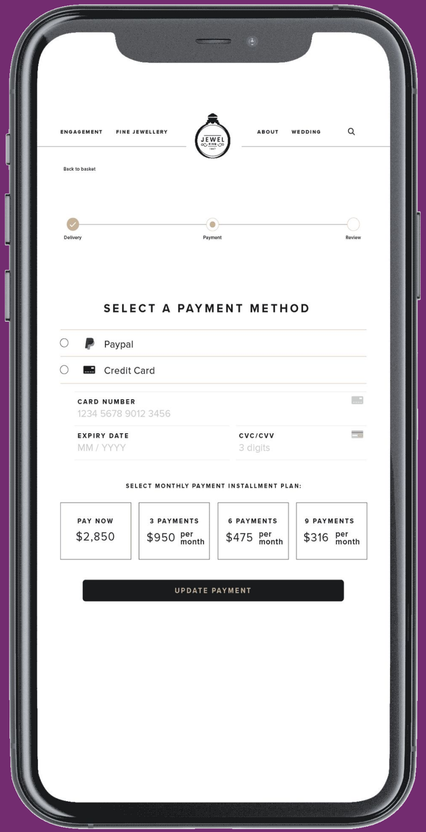
- No increase in credit exposure
- More responsible
- No hidden fees
- CCs are already regulated

1. In line with industry average credit card authorization rates, see CMSPI, "Credit Card Rejections During Pandemic Mean Frustration for Consumers, Missed Sales for Retailers", https://cmspi.com/nam/en/resources/content/excessive-online-credit-card-rejections-during-pandemic-mean-frustration-for-consumers-missed-sales-for-retailers/

# Maximize conversion and Average Order Value with Splitit



# Splitit's White-label Experience




# Why it's important?

Splitit is not a payment method, an offers engine or a super app. We want brands want to own their customer relationships, that's why we provide the tech and let Merchant's control the rest.

- Merchants own the end-to-end journey
- Embedded Installments-as-a-Service
- No third-party registration or redirects
- No data harvesting
- No competitive cross sell to your shoppers
- Increase your brand loyalty
- Keep card on file with merchant

# Splitit unlocks US$3.3T of existing underwritten credit for instalment payments…

**US$4.1T**

Total Credit Issued on US Cards

**80%**

of issued credit is unutilized

=

**US$3.3T**[1]

in available credit

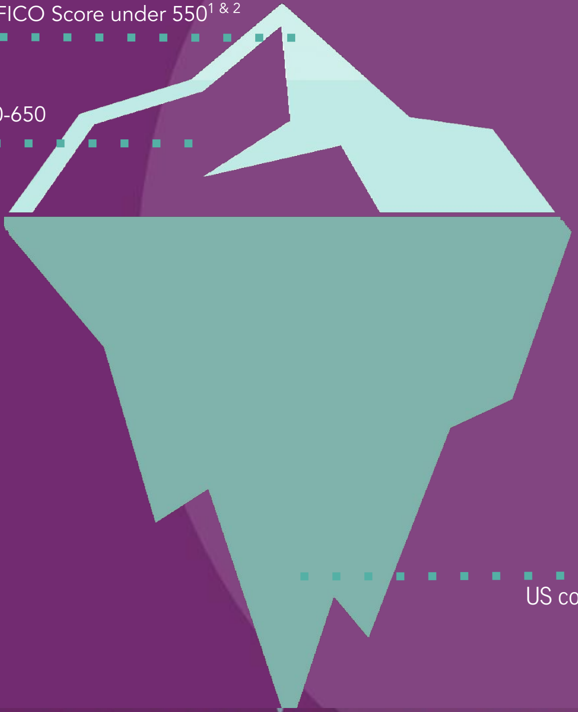
1. Finder.com, https://www.finder.com/credit-card-statistics

# Merchants are starting to understand the value of Splitit

**8%** US consumers with FICO Score under 550[1 & 2]

**17%** US consumers with FICO Score between 550-650

Klarna. afterpay zip PayPal



### CREDIT SCORE[2]

**Subprime, under 650, with low purchasing power.**

### SHOPPER PROFILE

**Legacy BNPL power users, younger, mercenary shoppers driven by offers.**

### PURCHASE PROFILE

**AOV under $250, key categories include fast-fashion apparel, footwear, electronics, cosmetics.**

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### CREDIT SCORE[2]

**Prime, Super Prime, over 650 with high purchasing power.**

### SHOPPER PROFILE

**Infrequent users of legacy BNPL, more established, loyal shoppers that value rewards.**

### PURCHASE PROFILE

**AOV over $1,000, key categories include home furnishings and improvement, jewelry, luxury, sporting goods, health and wellness.**

**75%** US consumers with FICO Score over 650

1. Note: FICO scores under 550 are considered "Very Poor" limiting financing options, Experian, *"Can You Get a Personal Loan With a Credit Score of 550?"*, *https://www.experian.com/blogs/ask-experian/can-you-get-a-personal-loan-with-a-credit-score-of-550/*
2. FICO, *"Average U.S. FICO® Score at 716, Indicating Improvement in Consumer Credit Behaviors Despite Pandemic"* as at April 2021, *https://www.fico.com/blogs/average-us-ficor-score-716-indicating-improvement-consumer-credit-behaviors-despite-pandemic*

# How we will get there

| | | |
|---|---|---|
| 1 | Scale Existing Splitit Model | • Strengthen payment operations and product teams<br>• Focus on distribution partnership<br>• Sales focus on priority verticals |
| 2 | White-label *Instalments as a Service* | • Merchants retain control of their brand and customer<br>• Commercialise white-label funded and *Instalments-as-a-service* bundles<br>• Go direct to top 100 Merchants in target verticals<br>• US market focus |
| 3 | Unlock BNPL for Issuers | • Integrate into network BNPL programs<br>• Ubiquitous acceptance, Splitit as the stand in<br>• Simplify issuer onboarding<br>• Monetise BNPL for issuers |

…all built off the product we already have.

# Key Risks

# Key Risks - Operational Risks

| | |
|---|---|
| Failure to scale the business and gain market share | Splitit's ability to increase transaction volumes, merchants, revenue, and ultimately achieve profitability, is dependent on its ability to attract new merchants and partners, as well as the continued relationships with current merchants. There can be no guarantee that these existing relationships will continue or, if they do continue, that these relationships will continue to be successful. Furthermore, the failure to successfully attract new merchants and partners at sufficient scale, or to successfully implement and integrate new merchants and partners to the Platform, may adversely impact Splitit's ability to achieve future profitability. |
| Failures or disruptions to the Splitit Platform | Splitit depends on the constant real-time performance, reliability and availability of its technology system and third-party communication networks. There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of Splitit, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking  or denial-of-service attacks. Events of that nature may cause part or all of Splitit's technology system and/or the communication networks used by Splitit to become unavailable. Splitit's operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow and adversely impact Splitit's financial performance and reputation. |
| Security breaches and data protection | Through the ordinary course of business, Splitit collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology platform used by Splitit to protect confidential information. There is a risk that the measures taken by Splitit may not be sufficient to detect or prevent unauthorised access to,  or disclosure of, such confidential information. Any data security breaches or Splitit's failure to protect confidential information could result in the loss of information integrity, or breaches of Splitit's obligations under applicable laws or agreements, each of which may materially adversely impact the Splitit's financial performance and reputation. |
| Intellectual Property Protection | Splitit relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. Although Splitit presently has a number of registered patents and trademarks, there is a risk that unauthorised use or copying of Splitit's software, data, technology or platforms will occur. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to Splitit's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question, and if an alternative cost-effective solution were not available, it may materially adversely impact Splitit's financial position and performance. |
| Liquidity and funding risk | Splitit's current funded business model is reliant on the ability to pay merchants upfront, before collecting payment back in installments over time. Whilst the Company currently has access to a US$150m funding facility through Goldman Sachs, should future liquidity be required to fund merchants in excess of what is available to Splitit at the time, there is a risk that merchants may be dissatisfied and unwilling to continue on Splitit's non-funded business model. This could have an adverse impact on Splitit's financial performance.<br><br>The Goldman Sachs debt facility has a number of customary financial and performance covenants, including minimum liquidity and net tangible assets requirements. Should Splitit be unable to maintain compliance with all covenants, there is a risk of an event of default under the loan facility. In addition, Splitit may be required to raise additional equity or debt funding in the future to support continued growth in merchant funding and general working capital. An inability to secure required equity and/or debt funding when required may impact both the pursuit of new business opportunities, and also Splitit's ability to continue as a Going Concern |

# Key Risks (Continued) - Operational Risks

| | |
|---|---|
| Loss of key management personnel | Splitit's ability to effectively execute its growth strategy depends upon the performance and expertise of its key management personnel. The loss of key management personnel, or any delay in their replacement, may adversely affect Splitit's future financial performance. |
| Competitors and new market entrants | There is a risk that new entrants enter the market, which may disrupt Splitit's business and existing market share. Existing competitors as well as new competitors entering the industry, may engage in aggressive customer acquisition campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially erode Splitit's market share and revenue, and may materially and adversely impact Splitit's revenue and profitability. |
| Receivables Impairment Expenses | Splitit's business model exposes the Group to two areas of credit risk:<br>1) Merchant default risk, due to shopper collections that are passed to a merchant prior to being collected by Splitit<br>2) Shopper default risk on a limited amount of payment gateways where a secured pre-authorisation is not possible, or on legacy debit card transactions (i.e. non-secured authorisation model). This risk is now heavily mitigated due to the fact that internal policy and lender covenants restrict non-secured receivables to 10% of the portfolio, larger and/or higher risk merchants have been migrated to secured gateways after going live, and debit card transactions were disabled as an offering after 31 December 2020. |
| Currency risk | Whilst Splitit expects to continue to derive a majority of its revenue from the United States in US dollars, it also derives revenue in GBP, Euro, Yen, AUD, CAD. It is also required to make payments in all of the aforementioned currencies, as well as the Israel New Shekel (NIS). Accordingly, changes in the exchange rate between the US dollar and any other currencies would be expected to have a direct effect on the performance of Splitit. |
| Macroeconomic factors | Splitit's business depends on end-customers transacting with merchants, which in turn is affected by macroeconomic conditions that impacts consumer spending power. These factors include unemployment, interest rates, customer confidence, inflation, cost of living, economic recessions, downturns or extended periods of uncertainty or volatility. Unforeseen global events such as pandemics, war, and natural disasters may also impact macroeconomic conditions and consumer spending. This may subsequently impact Splitit's ability to generate revenue.<br><br>Additionally, Splitit is exposed to interest rate movements through its debt facilities. An inability to pass on increased costs to merchants may impact Splitit's profitability. |

# Key Risks (Continued) - Operational Risks

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| Litigation, claims and disputes | Splitit may be subject to litigation and other claims and disputes in the ordinary course of business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims. Even if Splitit is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact Splitit's operating and financial performance due to the time and cost of settling such claims, and also affect Splitit's reputation.<br><br>Splitit advises that proceedings have been commenced against the Company in an Israeli court concerning alleged entitlements to finders fees in connection with a pre_IPO capital raise, the Company's IPO and secondary capital raising in May 2019. The Company previously paid approximately US$480,000 in connection with those agreements. The Company has assessed the claims and intends to vigorously defend them. Furthermore, the Company does not intend to make any provision in its accounts for any claim for cash payments. The claims include the following:<br>(a) a claim that the plaintiffs are entitled to 724,792 options to acquire SPT ordinary shares at an exercise price of AUD$0.1329 per share, 2,700,000 options to acquire SPT ordinary shares at an exercise price of AUD$0.20 per share, and and 1,687,500 options to acquire SPT ordinary shares at an exercise price of AUD$0.80 per share;<br>(b) a claim that the plaintiffs are entitled to a cash payment of approximately AUD$1,350,000; and<br>(c) a claim for compensation relating to the fall in the SPT share price since January 2021. |
| Laws and regulations | Splitit is subject to a range of legal and industry compliance requirements in the jurisdictions in which we conduct business. This includes privacy laws, consumer protection laws, contractual conditions, card network rules, Anti-Money Laundering/Counter Terrorism Financing Act in relation to merchant customers, Accounting Standards, ASX listing rules, and relevant local corporate and securities laws. Failure to comply with these obligations, or to appropriately respond to changes in obligations, may result in significantly increased compliance costs, cessation of certain business activities or the ability to conduct business, litigation or regulatory enquiry or investigation and significant reputational damage. |

# Key Risks (Continued) - Investment Risks

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| General Investment risk | There are risks associated with any listed company investment. The price at which shares are quoted on the ASX may be subject to fluctuations in response to various factors, many of which are outside Splitit's control, such as general movements in stock markets, changes to government fiscal, monetary or regulatory policy, changes in legislation or the regulatory environment, recommendations by brokers and analysts, changes in the market valuation of other comparable companies, changes in general domestic and global economic conditions including interest rates and exchange rates, and general macroeconomic conditions. As a consequence, Splitit shares may trade at a higher or lower price than the issue price of the shares issued under the Offer. |
| Liquidity Risk | There can be no guarantee of an active market for Splitit shares, or that the price of shares will increase. Shareholders who wish to sell their shares acquired under the Offer may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market. This may result in investors under the Offer receiving a market price for their shares that is less than the Offer Price. |
| Dilution Risk | Existing shareholders who do not participate in the capital raising will be diluted as a result of the issue of new shares. A participating shareholder may still be diluted even though they participate in the Offer, depending on the number of shares issued to them. In the future, Splitit may elect to issue additional shares to raise funds for operations, and shareholders may be diluted as a result. |
| Macroeconomic factors | Splitit's business depends on end-customers transacting with merchants, which in turn is affected by macroeconomic conditions that impacts consumer spending power. These factors include unemployment, interest rates, customer confidence, inflation, cost of living, economic recessions, downturns or extended periods of uncertainty or volatility. Unforeseen global events such as pandemics, war, and natural disasters may also impact macroeconomic conditions and consumer spending. This may subsequently impact Splitit's ability to generate revenue.<br><br>Additionally, Splitit is exposed to interest rate movements through its debt facilities. An inability to pass on increased costs to merchants may impact Splitit's profitability. |

# Foreign Selling Jurisdictions

# Foreign Selling Restrictions

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| **Hong Kong** | WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares and Options have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).<br>No advertisement, invitation or document relating to the New Shares and Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares and Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares and Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.<br>The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice. |
| **New Zealand** | This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").<br>The New Shares and Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:<br>•is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;<br>•meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;<br>•is large within the meaning of clause 39 of Schedule 1 of the FMC Act;<br>•is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or<br>•is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act. |
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# Foreign Selling Restrictions (Continued)

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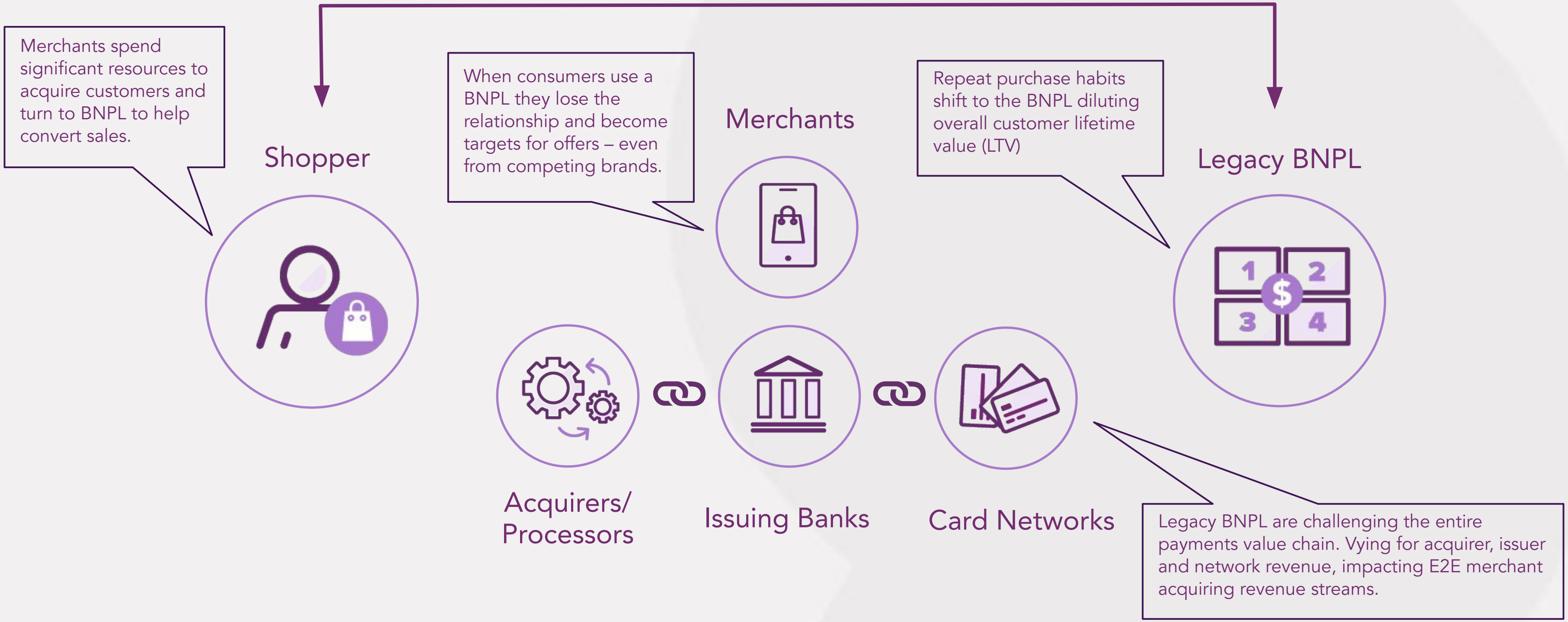
| **United Kingdom** | Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares and Options. The New Shares and Options may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the UK Prospectus Regulation). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.<br>Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares and Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.<br>In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document. |
| **United States** | This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares and Options (including the underlying ordinary shares) have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares and Options (including the underlying ordinary shares) may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.<br>The New Shares and Options (including the underlying ordinary shares) will only be offered and sold in the United States to:<br>●institutional accredited investors (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act); and<br>●dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act. |
| **Israel** | The New Shares and Options have not been registered, and no prospectus will be issued, under the Israeli Securities Law, 1968 (the "Securities Law"). Accordingly, the New Shares and Options will only be offered and sold in Israel pursuant to private placement exemptions, namely to no more than 35 offerees who fall within a category of sophisticated investor as described in the First Addendum of the Securities Law.<br>Neither this document nor any activities related to the Offer shall be deemed to be the provision of investment advice. If any recipient of this document is not the intended recipient, such recipient should promptly return this document to the Company. This document has not been reviewed or approved by the Israeli Securities Authority in any way. |

# Appendix

# Operating metrics - definitions

- Merchant Sales Volume (MSV): Underlying sales volume for successful transactions
- Revenue (Non IFRS): Revenue invoiced to merchants for the period, translated to reporting currency. Under the funded model, revenue is invoiced upfront at the date of funding. Under the basic model, revenue is invoiced monthly as each instalment is processed. This non-IFRS measure has not been independently audited or reviewed, and will differ from IFRS revenue due to IFRS revenue recognition rules.
- Operating Expenditure (Non IFRS): Operating expenses exclusive of non-cash items (share-based payments, warrants expenses, unrealised foreign exchange gains/losses, depreciation and amortisation, amortisation of deferred debt costs).
- Net Transaction Margin $ (NTM $): Revenue (Non-IFRS) less variable transaction costs (finance costs directly associated with receivables funding, third party revenue share, processing costs) less Bad Debts (transaction losses)
- Net Transaction Margin % (NTM %): NTM ($) / MSV invoiced to merchants during the period (note: MSV invoiced will differ from overall MSV reported, given basic model MSV is invoiced monthly as instalments are processed).
- EBITDA (Non IFRS): NTM ($) less Operating Expenditure (Non IFRS)
- YoY: Year-over-Year growth to prior corresponding period

# Legacy BNPL providers disintermediate Merchants and threaten the entire payments ecosystem

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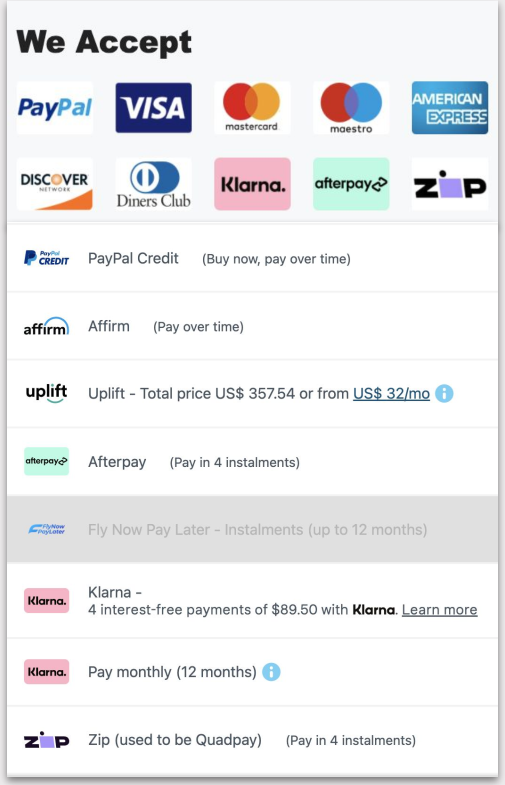
# Checkout clutter is impacting conversion…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# Splitit's Instalments-as-a-Service is easy to adopt and grow

## Single API

One API and single entry point for all different installment services embedded into the card networks.

## Simple Back Office

The same back office experience for Merchants:

- Keep the same processor, acquirer and reporting processes.
- Reconciliation consistent with existing card processing.
- No change to chargeback, refunds or reversal processes.

## Scalable Globally

Because we deliver our solution via the existing card network infrastructure, our Merchants ability to go global through Splitit is simple.

- 100+ countries
- 100+ currencies
- Multiple card networks

# What consumers *really* want from their BNPL provider[1]

**60%** prefer a BNPL that works with existing credit cards vs. a new line of credit

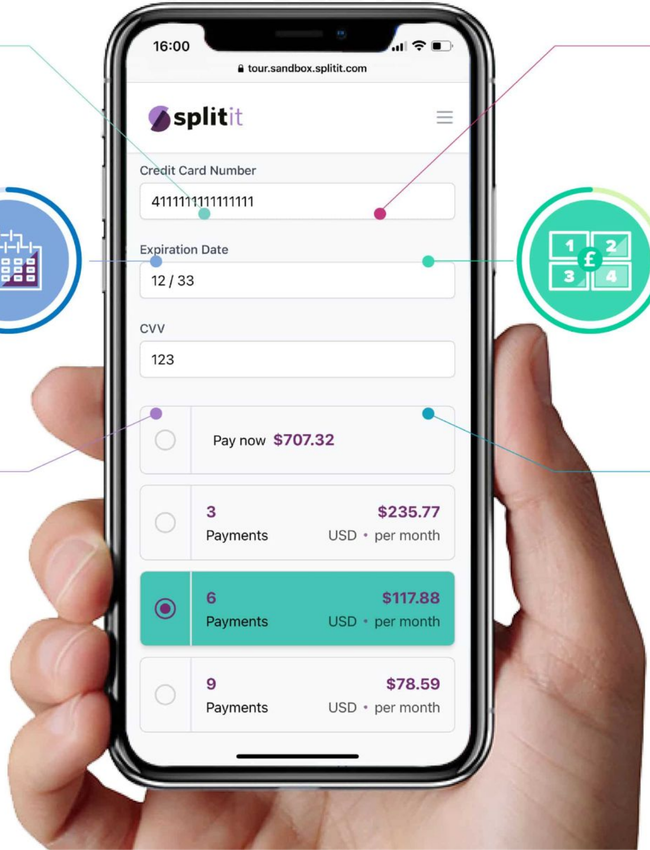
**56%** would rather make monthly vs. bi-weekly installment payments

Perks like cash back, rewards, points or miles are important to consumers

**83%** say perks are important to them

**55%** top reason they chose card

**48%** main reason they use card




**60%** would spend more or upgrade if they could pay over time

**75%** want more than four installments for purchases over $1,000

Other credit card behaviors

**71%** say credit cards are a key part of a healthy personal finance approach

**64%** would spend more if they could make interest-free installments

**40%** pay off their balance each month

1. *Splitit consumer survey, "U.S. Consumer Perspectives: Credit Cards and Buy Now Pay Later", February 2, 2022, https://www.prnewswire.com/news-releases/splitit-survey-shows-most-prefer-a-buy-now-pay-later-option-on-existing-credit-cards-vs-a-new-line-of-credit-301473575.html*

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# Thank you