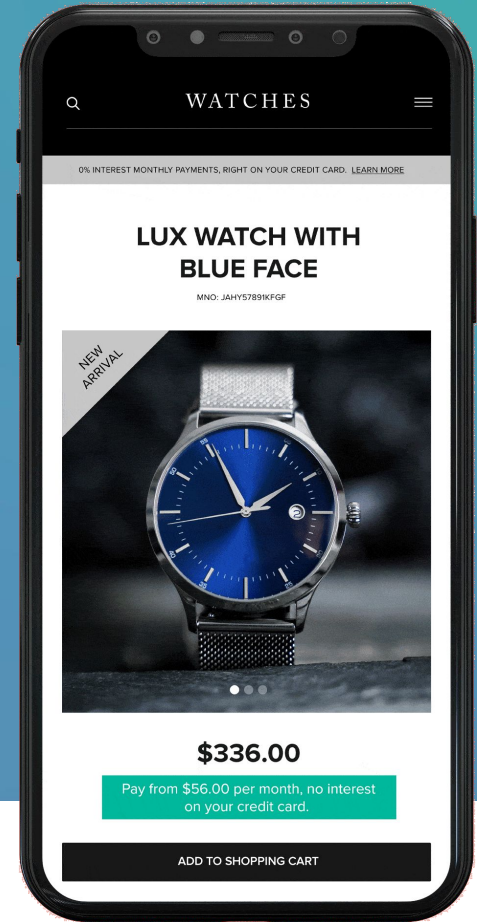


# Sharecafe Investor Presentation

December 2022



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# Company Overview

- White-label, Instalments-as-a-Service platform
- Instalment payment technology utilizing shoppers' existing credit cards
- Unlock instalments at the checkout for consumers, merchants and issuers
- Granted patents in the US and other regions
- Headquarters in the US with R&D in Israel
- Listed ASX under ticker code SPT and also trades on the US OTCQX under ticker SPTTY (ADRs) and STTTF (ordinary shares).



## Some of our customers

Google

nectar 

byte®

Vestiaire Collective

CANYON

FABERGÉ

 JAMES ALLEN®

tabby\*

Gem  
Shopping  
Network

  
QUIKSILVER

|||≡ Ableton

POLY & BARK

## What is Splitit?

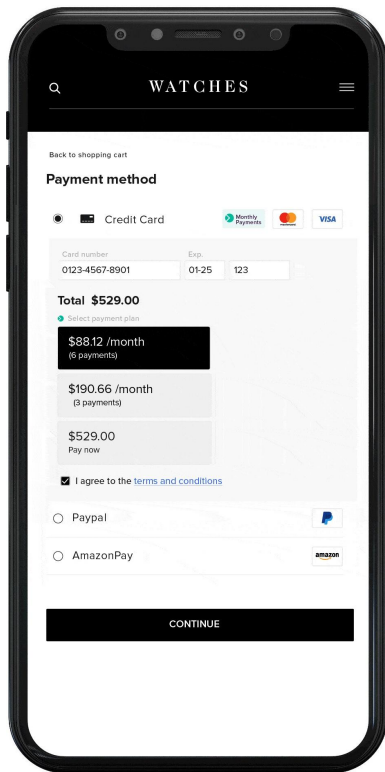
Splitit provides a technology platform that **empowers Merchants** to offer instalment payments embedded within their customer journey.

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

## How We're Different?

- ✓ Greater merchant value
- ✓ Clear path to profitability
- ✓ Unlock large, underserved markets

# Fully embedded = Zero friction



## Our new white-label Instalments-as-a-Service platform allows us to break away from the crowded BNPL space.



Splitit is not a payment method, an offers engine or a super app.

We want merchants to own their customer relationships, that's why we provide the tech and let merchant's control the rest!

# Splitit unlocks US\$3.3T of existing available credit for installments, all card holders are pre-enrolled



# The new Splitit delivers on the promise of BNPL for investors, merchants and consumers

## The legacy BNPL business model is fundamentally broken

- Soaring write-offs, regulatory scrutiny and higher costs of capital are tightening underwriting
- Exorbitant customer acquisition costs are adding fuel to the fire, challenging the path to profitability



## Shoppers using instalments when making purchases spend more

- Shoppers are enticed by the notion of no interest instalment plans
- Instalments drive higher conversion rates and increased order sizes

## Splitit delivers a next-generation BNPL service

- Splitit provides a technology platform that empowers merchants to offer instalment payments embedded within their customer journey
- We are the only instalment payment solution that allows shoppers to use their existing credit card at checkout without increasing their debt

# Recent accomplishments set the foundation for future growth

## Financial:

- Reduced **operating cost run rate by US\$10M+ per annum** improving cash burn, supporting our path to profitability
- Improved net **transaction margin by 3.5x to 1.4%** – one of the highest in the industry
- Will **grow 2022 MSV by ~10%** in a transition year
- Reduced Goldman Sachs facility **cost of capital by 100 bps to 5.85%\***

## Product:

- Launched a **highly differentiated white-label Instalments-as-a-Service** solution that significantly improves the merchant business case for BNPL
- Delivered a **new processing platform** that significantly reduces merchant adoption friction while improving the shopper experience
- Launched the most flexible **plan options** in the industry, helping merchants manage accelerating interest-rate costs

## Organisational:

- Hired CEO, executives and a new board member with over 150 years of **deep payments experience**
- Upgraded client success team and redesigned risk management practices, translating into **improved client satisfaction** while reducing merchant write-offs
- Shifted HQ to Atlanta, a thriving fintech ecosystem that process over 70% of all U.S. transactions, helping to **reduce operating expense**

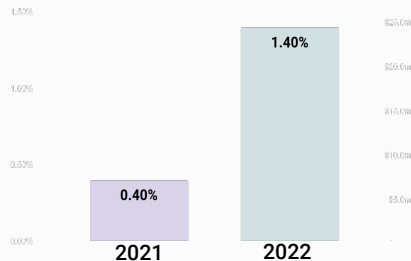
## Sales:

- Rebuilt sales under new CRO, developed new enterprise merchant and partner pipeline, with **over US\$500M in annual late-stage MSV**.
- Closed **US\$100M in new annualised MSV** to reach maturity in 2023.
- Signed key partnerships with BlueSnap, Everyware, Checkout.com providing **access to over US\$100B of addressable transaction volume**



# Improved financial performance for a clearer, faster path to profitability

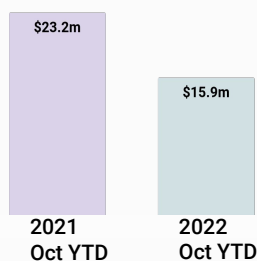
## Net Transaction Margin



↑ 3.5x

- NTMs of 1.4% (compared to 0.4% prior year)
- Focus on unit economics and merchant profitability
- Reduction in funding costs
- Lower exposure to interest rate changes
- Shielded from consumer defaults vs. other BNPLs

## Operating Cost Reductions



↓ 32%

- 32% YoY operating expense reduction
- No consumer marketing spend
- Resigned unprofitable accounts
- Refocus resources on high-growth areas

## Significant Growth Opportunities

US\$2B - US\$4B

↑ \$2B-\$4B MSV

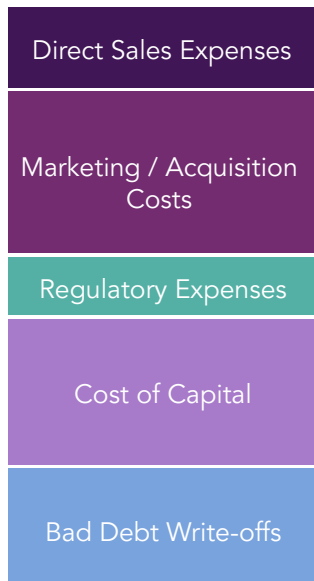
- \$2B-\$4B of incremental MSV opportunity over three years
- At a NTM of 1.4% this would translate into US\$28M to US\$56M of transaction margin
- Our projections for 2023 MSV growth will become clearer as we finalize new merchant and partner deals

**Scalable unit economics and large growth opportunities provides a clear pathway to profitability**

# Splitit's cost structure supports the faster path to profitability

Illustrative

Legacy BNPL Cost Structure



Splitit Cost Structure Today

Splitit has the lowest marketing, regulatory and bad debt write-off expenses in the industry



Splitit Cost Structure when Issuers Pre-Funds Merchant

As we shift to a non funded / issuer funded model our cost structure improves even further



- Direct Sales
- Marketing
- Regulatory
- Cost of Capital
- Write-offs
- Lower Inherent Cost Structure

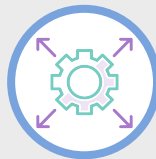
# Our strategic pillars will drive growth at scale

## Profitable Growth



### Instalments-as-a-Service

- Doesn't disintermediate merchant-consumer relationship
- Highest conversion and approval rates in the industry (~85%<sup>1</sup> versus ~40% for existing BNPL<sup>2</sup>)
- Maximize customer lifetime value, drive loyalty and repeat purchases (over 13%<sup>1</sup> of consumers make repeat purchases)



### One-to-Many Distribution

- Scale faster by leveraging our distribution partners to sell into their merchant base
- Drive incremental revenue opportunity for distribution partners, while making merchant relationships stickier
- Support high-value, fragmented segments through ISOs/ISVs



### Unlock Instalments for Issuers

- Become the instalment tech enabler for network and issuers
- Simplify issuer adoption via direct engagement or existing payment network, building a two-sided market
- Reduce the reliance on dedicated warehouse facility, benefiting from issuers lower cost of capital

## Operational Maturity

# 2023 Outlook: Key Goals driving MSV growth objectives

Goal	Status
Sign 3 large enterprise merchants	<ul style="list-style-type: none"><li>• 2 large enterprise negotiations are in progress</li><li>• General pipeline health is strong across merchants of all sizes</li></ul>
Sign 2 large new distribution partners	<ul style="list-style-type: none"><li>• 1 contract at advanced stage</li><li>• 2 contracts in early negotiation</li></ul>
Sign 2 new acquirers (1 large, 1 small)	<ul style="list-style-type: none"><li>• 1 contract at advanced stage</li><li>• 1 contract in early negotiation</li></ul>
Sign 1 new network partnership	<ul style="list-style-type: none"><li>• Negotiations ongoing regarding network joint GTM partnership</li></ul>



## Summary

- Splitit has executed a significant pivot putting us on a clearer path to profitable revenue growth
- Early indications are showing our white-label platform drives the highest conversion rates in the industry, translating into greater revenue per merchant
- New sales strategy complemented with a highly experienced sales team is driving meaningful enterprise merchant pipeline growth, currently stands at ~US\$500M
- Our partnership-led distribution strategy is taking shape, we are at the table with the some of the largest merchant aggregation platforms in the industry
- Focus is to execute on the US\$2B-4B MSV opportunity over the next three years

# Thank you!

Pay now

\$1000.00

**6**  
payments

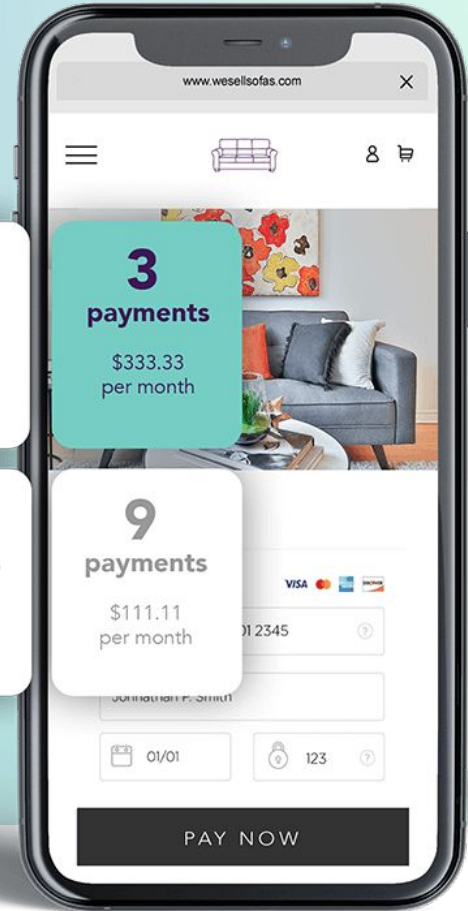
\$166.67  
per month

**3**  
payments

\$333.33  
per month

**9**  
payments

\$111.11  
per month





# 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 %):**  $\text{NTM } (\$) / \text{MSV invoiced to merchants during the period}$  (note: MSV invoiced will differ from overall MSV reported, given basic model MSV is invoiced monthly as instalments are processed).
- **EBITDA (Non IFRS):**  $\text{NTM } (\$) \text{ less Operating Expenditure (Non IFRS)}$
- **YoY:** Year-over-Year growth to prior corresponding period