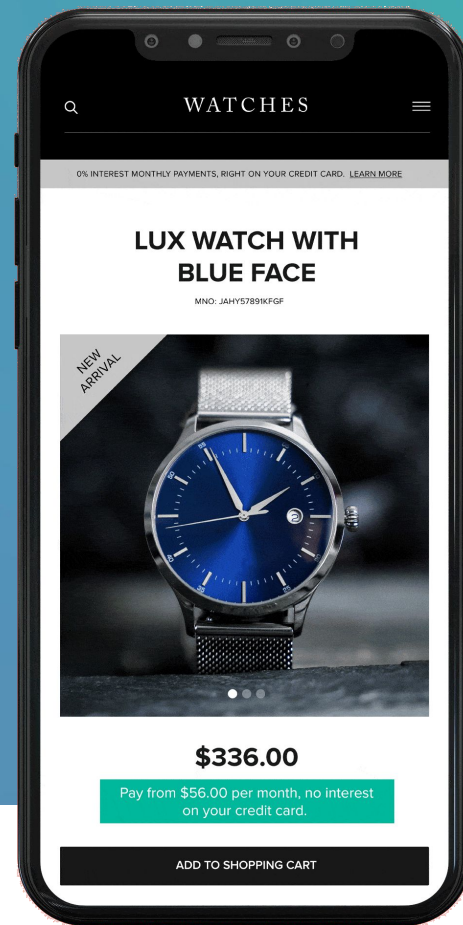


# Q1 FY23 Investor Update

## April 2023

Nandan Sheth, CEO  
Ben Malone, CFO



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# Q1 FY23 Highlights

## Financial:

- **US\$136M MSV**, 34% YoY growth, Revenue US\$2.8M (4% YoY)
- **Net transaction margin 1.1M** (in line with prior year), despite rising interest costs. As a % of MSV NTMs decreased YoY to 0.90% (from 1.3%), however this was largely driven by non-funded/funded mix
- Reduced **operating costs by 15% YoY**, improving cash burn, supporting our path to profitability
- US\$21.4M total cash, **US\$14.6M cash available** for all operating activities and measurement against debt covenants

## Product:

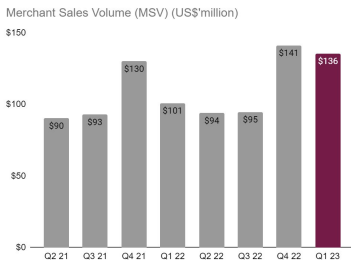
- Launched a new **“pay-after-delivery” service** allowing customers to pay only after they have confirmed delivery. Highlights the adaptability of the core product to multiple use cases
- Splitit’s white-label plugin now available in the **SAP Store**, simplifying the integration process for large enterprise merchants

## Commercial:

- Signed **Ali Express** in Jan 23, with initial launch in Germany, France and Spain, with plans to expand into other international markets in the near term
- Announced **partnership agreement with Ingenico**, a global leader in payments solutions. Splitit and Ingenico will create the first one-touch instalment solution embedded into physical POS terminals
- Signed **partnership agreement with APPS**, to integrate Splitit into its processing platform and enable Splitit APIs to its network of ISOs, ISVs and merchants
- On track for projected MSV run rate of \$0.7B to \$0.8B by the end of 2023

# Strong YoY volume growth delivered

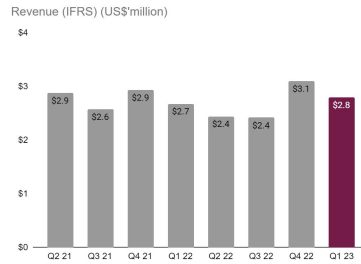
## Merchant Sales Volume (MSV)



↑ **34% YoY**

- Continued MSV growth from larger merchants delivered 34% YoY increase

## Revenue (IFRS)



↑ **4% YoY**

- Strong quarter of revenue
- Funded fees recorded strong growth late in the quarter as some repricing efforts were executed on
- \$2.8M of revenue delivered \$1.1M in net transaction margins despite rising interest rates. Industry leading bad debts ensuring strong margins are maintained

## 2023 Projected Exit Run Rate

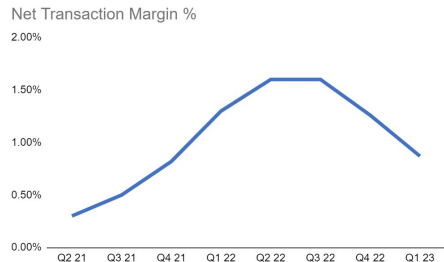
**\$0.7B - \$0.8B**

↑ **\$0.7B-\$0.8B MSV**

- \$0.7B-\$0.8B projected 2023 MSV exit run rate
- Merchants and partnerships expected to scale up through H2
- Our projections for 2023 MSV growth will become clearer as we finalize new merchant and partner deals

# Strong unit economics for a clear path to profitability

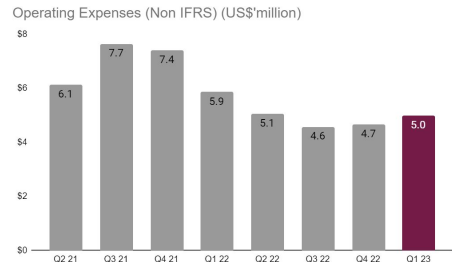
## Net Transaction Margin



**0.4% YoY**

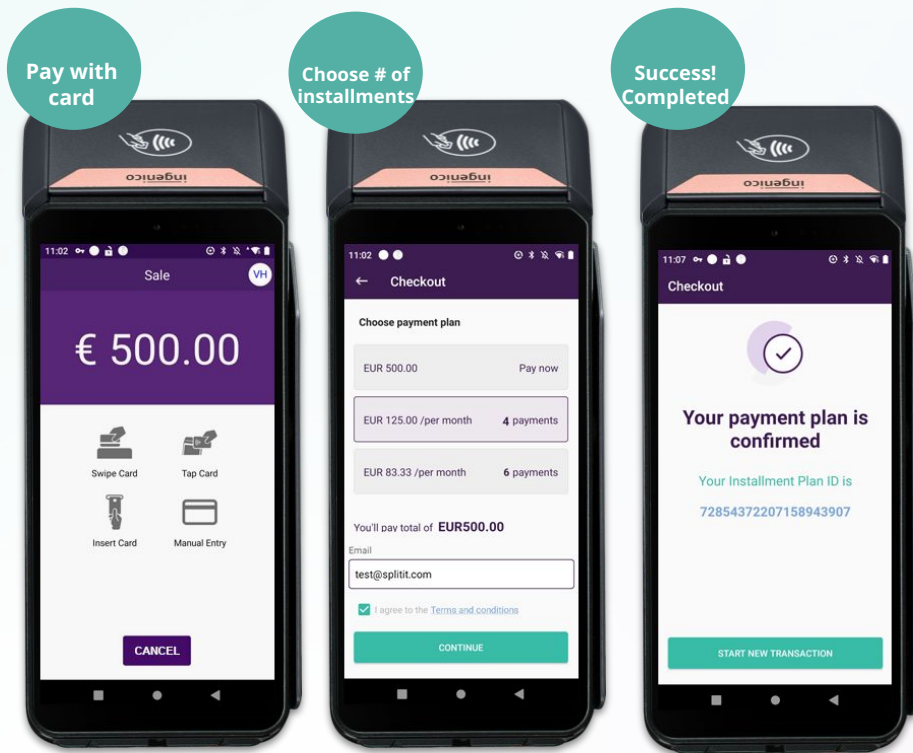
- NTMs of 0.9% (compared to 1.3% prior year)
- However \$1.1m net transaction margin in line with prior year, despite rising interest rates
- Focus on unit economics and merchant profitability
- Lower exposure to interest rate changes
- Shielded from consumer defaults vs. other BNPLs
- Some softening of % margin QoQ due to merchant mix changes and interest rate peak, however longer term NTMs expected to remain strong

## Operating Costs



**15% YoY**

- 15% YoY operating expense reduction
- No consumer marketing spend
- Continued refocus of resources on high-growth areas



**The first one-step card installment solution embedded into physical POS.**

Revolutionizing in-store point-of-sale with Splitit's white-label Installment-as-a-Service solution, embedded within Ingenico's innovative cloud-based PPaaS platform.

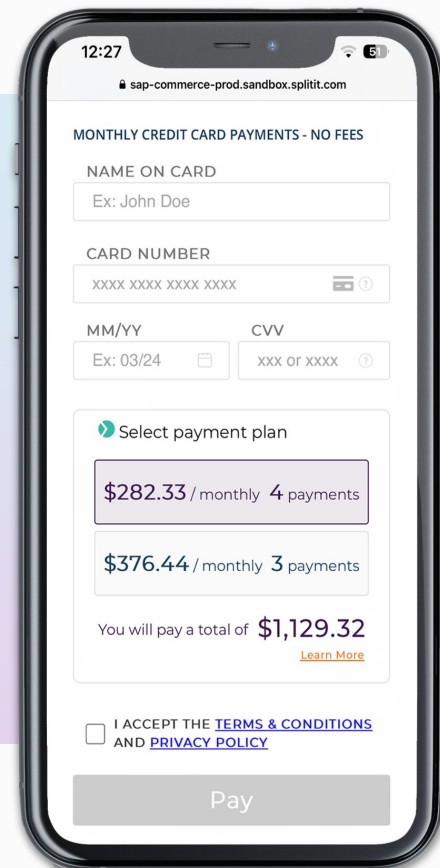
**Tap it, Splitit and go**

[www.splitit.com/in-store](http://www.splitit.com/in-store)











# One-Click Installments for SAP Commerce Cloud.

- [Splitit's white-label Checkout Plugin](#) for SAP is embedded seamlessly within the existing checkout flow
- It's completely customizable, giving the merchant full control
- Merchants can choose the installment plans they want to offer and easily add upstream messaging to their site in just a few clicks
- Requires no technical lift



# 2023 Outlook and Progress: Key Goals driving MSV growth objectives

Goal	Progress			
Sign 3 large enterprise merchants				Google (prior quarter), AliExpress (current quarter)
Sign 2 large new distribution partners				Checkout (prior quarter) Ingenico (current quarter)
Sign 2 new acquirers (1 large, 1 small)				Worldline (prior quarter) APPS (current quarter)
Sign 1 new network partnership				





## Summary

- Strong start to 2023 with US\$136M MSV (34% YoY Growth)
- Continued to deliver on partner strategy with execution of Ingenico and APPS partnerships
- Launched an Installments-as-a-Service integration with the SAP Commerce Cloud.
- Continue to innovate and differentiate our product in the market through pay-on-delivery with Ali Express
- Strong unit economics continuing the business' pathway towards profitability
- Continued strengthening of merchant and partner pipeline to deliver US\$0.7B - US\$0.8B projected MSV annualised run rate by end of 2023

# Thank you!

Pay now

\$1000.00

**6**  
payments

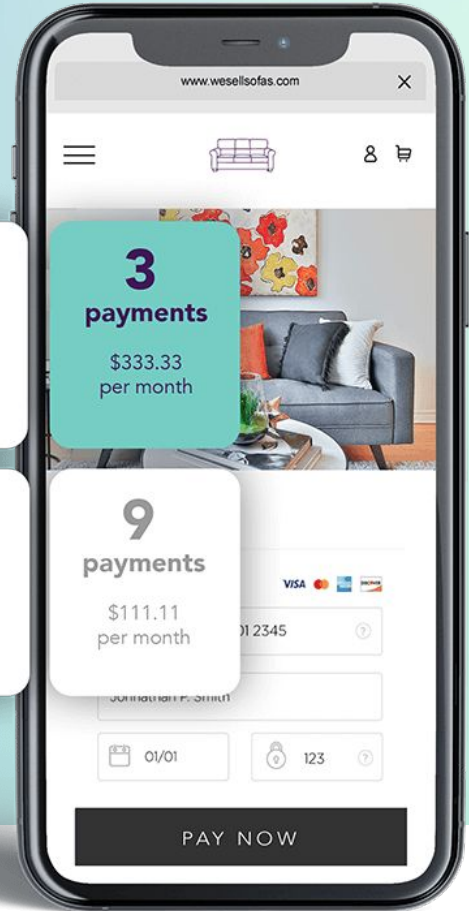
\$166.67  
per month

**3**  
payments

\$333.33  
per month

**9**  
payments

\$111.11  
per month





# About Splitit

# 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

AliExpress™

n+

nectar

byte®

Vestiaire Collective

CANYON

JAMES ALLEN®

FABERGÉ

III≡ Ableton

tabby\*

Gem  
Shopping  
Network

QUIKSILVER

## What is Splitit?

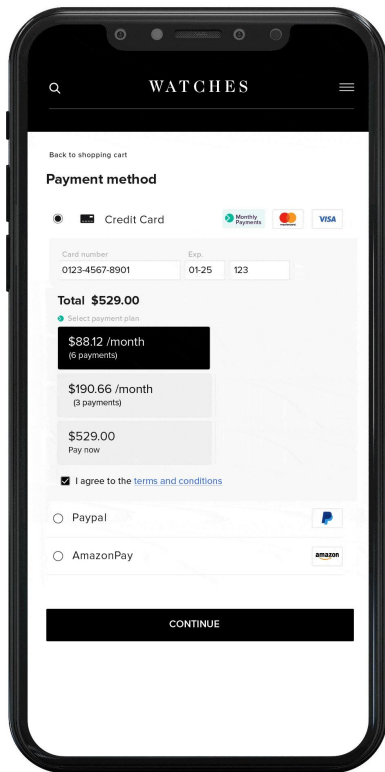
Splitit provides a technology platform that **empowers Merchants** to offer instalment payments embedded within their customer journey.

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
- ✓ Not a consumer lender. Operates under existing credit card regulations

# 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!**

# The power of Splitit's Instalments-as-a-Service

1

**No Shopper  
Acquisition  
Costs**

Leverages Merchant's  
Relationship with Shoppers

Eliminates expensive customer  
acquisition and brand awareness  
campaigns

2

**Low  
Abandonment  
Rates**

Fully Embedded into the Merchant  
Checkout

No registration, redirects,  
credit check or sharing additional  
personal information

3

**Higher  
Merchant ROI**

Drives Higher Conversion and  
Approval Rates

Approval rates are 85%-95%<sup>1</sup>  
Share of checkout as as high as 32%<sup>1</sup>



# 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

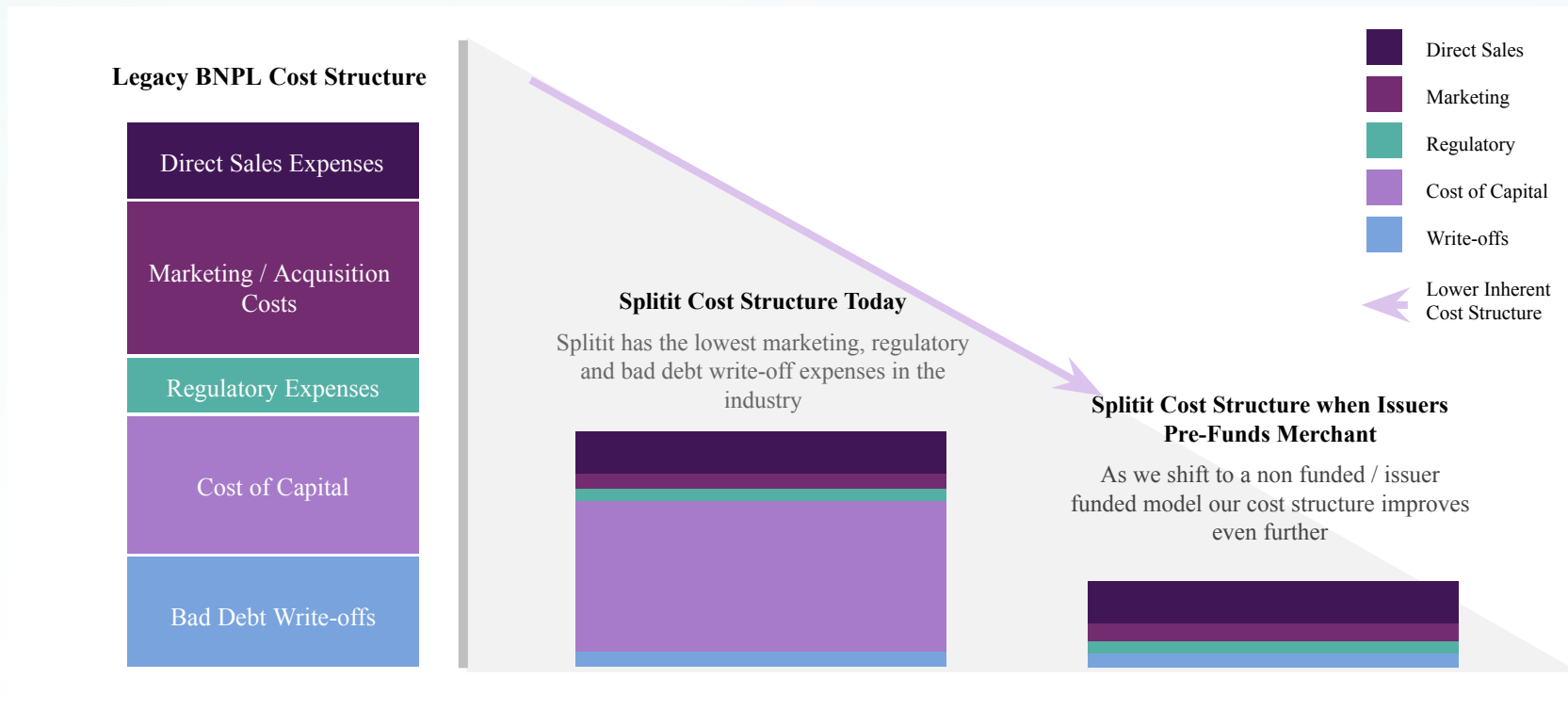
- Shoppers are enticed by the notion of no interest instalment plans
- Instalments drive higher conversion rates and increased order sizes

## 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

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

Illustrative



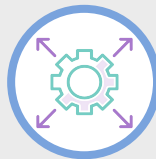
# Our strategic pillars will drive growth at scale

## 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

# Operating metrics definitions

# 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 non-funded 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.
- Revenue (IFRS): Revenue under IFRS, reflective of IFRS 9 Effective Interest Rate (EIR) adjustment
- Operating Expenditure (Non IFRS): Operating expenses exclusive of non-cash items (share-based payments, warrant expense, unrealised foreign exchange gains/losses, depreciation and amortisation, amortisation of deferred debt costs, capitalised employee and consultant expenses)
- Net Transaction Margin \$ (NTM \$): Revenue (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 %):  $NTM (\$) / MSV \text{ invoiced to merchants during the period}$  (note: MSV invoiced will differ from overall MSV reported, given non-funded model MSV is invoiced monthly as instalments are processed).
- EBITDA (Non IFRS):  $NTM (\$) \text{ less Operating Expenditure (Non IFRS)}$
- YoY: Year-over-Year growth to prior corresponding period